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ABSTRACT

This guidebook presents 64 profiles of successful economic development initiatives in the small towns and rural areas of 37 states. Intended for use by rural and small town leaders and rural economic development specialists, the guide provides ideas, encouragement, and an "insider perspective" on alternative rural development strategies. Each two-page profile describes the project and the type of organization involved and includes funding information, benefits to date, and a local contact person. Extensive quotes from local community leaders highlight keys to success and pitfalls to avoid in implementing similar approaches elsewhere. Each successful rural development effort carries at least one of the following hallmarks: (1) capitalizes on existing resources; (2) focuses on adding value to existing products; (3) aggressively pursues case transfer strategies; (4) helps existing businesses stay and expand; (5) incorporates education into the long-term effort; (6) seeks training and capacity building for local leaders; and (7) emphasizes research, planning, and long-term consistency. About 22 of these projects attracted industry to rural areas or developed industrial parks, 16 concentrated on small businesses, and 10 focused on tourism. (Author/SV)

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Headquarters and main laboratories are in Kansas City, Missouri. Off-site research operations are maintained in the Washington, D.C., and Raleigh, North Carolina, areas. MRI manages and operates the Solar Energy Research Institute in Golden, Colorado, under contract to the U.S. Department of Energy.

MRI's 1000 research and support staff combine expertise and resources to carry out projects in more than four dozen scientific and technical disciplines. Research activities include long-term multimillion dollar programs as well as smaller, short-term projects. MRI has completed more than 10,000 projects for some 4000 clients. Current projects range from economic development to biochemical toxicology, from laboratory robotics to transient processes, from hazardous waste management to lubrication studies.

The Economics and Management Sciences Department at MRI provides expert assistance to clients from all sectors of the economy. Capabilities include economic analysis, economic and industrial development, management and business studies, market and feasibility analysis, and industry competitive assessment. For more information, call or write Linda W. Thornton, Director, Economics and Management Sciences Department, Midwest Research Institute, 425 Volker Boulevard, Kansas City, Missouri 64110. Phone: 816-753-7600.

Copies of this guidebook may be obtained from Margaret Thomas, Midwest Research Institute, 425 Volker Boulevard, Kansas City, Missouri 64110, for a cost of \$15.

PROFILES IN RURAL ECONOMIC DEVELOPMENT

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April 1988

Prepared for

U.S. Department of Commerce
Economic Development Administration
Technical Assistance and Research Division

This publication was prepared by Midwest Research Institute. The statements, findings, conclusions, and recommendations are those of the authors and do not necessarily reflect the views of the Economic Development Administration.

PREFACE

In September 1986 Midwest Research Institute (MRI) undertook development of this guidebook for the U.S. Economic Development Administration (EDA) to highlight the diversity of economic development efforts that are beginning to succeed in small towns and rural areas across the country. The work on this guidebook was partly an outgrowth of earlier research. In 1986 MRI completed *A Rural Economic Development Source Book*, which recommended training and technical assistance materials appropriate for rural economic development efforts. A second publication, *A Resource File of Technical Assistance Providers*, was completed in 1987. The *Source Book* was funded by EDA; the *Resource File* was published by MRI to reflect the contacts made as a result of the earlier publication. It was during the preparation of these two earlier publications that MRI researchers became aware of the need to compile the success stories that are reflected in this guidebook. EDA concurred, and the result is this third publication. As was the case for the earlier two publications, MRI intends that this guidebook be disseminated and used by public officials, community leaders, and rural development practitioners who are working to strengthen the economies of small towns and rural areas throughout the United States.

My special appreciation goes to several MRI staff. Alice Crews mastered a new and exceedingly complex word processing program to prepare the guidebook profiles and did so with unfailing good cheer. MRI technical staff on the project team included Joyce Stark, LaDene Morton, and Wanda Brandenburg, all of whom did an exceptional job assisting with interviewing, writing, and editing the various profiles.

While many research projects are challenging intellectually, I can remember few in my 15 years at MRI that have been as satisfying from an emotional point of view. I have been greatly moved by the dedication and enthusiasm of both volunteers and professionals who are struggling to position their rural communities for a brighter economic future. Their vision is contagious, and I hope those who read these profiles also will be inspired. These profiles are dedicated to all the men and women who are making personal sacrifices today in order that their children or their neighbors' children will have a future in rural America.

Sincerely,

MIDWEST RESEARCH INSTITUTE

Margaret G. Thomas

Margaret G. Thomas
Project Leader

Approved:

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Linda W. Thornton, Director
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Abstract

This guidebook is a compilation of approximately 65 profiles of successful economic development initiatives in small towns and rural areas around the United States. The guidebook is intended for use by rural counties and local communities that are looking at alternative rural economic development approaches. Each profile is two pages in length and includes a description, the organization and funding for the initiative, a summary of key benefits, and a local contact person. Extensive quotes from local community leaders are used to highlight keys to success and pitfalls to avoid in replicating similar approaches in other communities. The guidebook includes an overview of the hallmarks of successful rural area initiatives.

EXECUTIVE SUMMARY

This guide to rural economic development initiatives was prepared in order to give rural and small town leaders and rural economic development specialists ideas, encouragement, and an "insider perspective" on alternative rural development strategies. The research for this guide was conducted between September 1986 and March 1988. Midwest Research Institute (MRI) contacted over 300 individuals around the United States, asking for leads on successful economic development initiatives in rural counties or in communities under 10,000 population. These contact persons were primarily rural development specialists in federal and state governments, universities, regional planning groups, and national associations. About 125 potential projects were identified. The final selection of the initiatives presented in the guide was based on written survey information contributed by the local areas and MRI telephone interviews with community leaders.

Some of the success stories selected were modest and do not reflect major job gains yet. For this reason, the profiles have been presented in two sections. Part I contains profiles of specific initiatives that have produced measurable benefits in terms of employment and income. Part II profiles are, in many cases, very recent initiatives that show good potential for future economic development. Often these latter initiatives are most noteworthy because they demonstrate success in the critical (and often most difficult) early stages of economic revitalization--by overcoming apathy and getting organized.

The two-page profile of each initiative follows the same format. On one side of each page the presentation includes a brief summary of the study area and a description of the project or effort in terms of the local organization, funding, and benefits to date. The other side of each page is used for quotes from local community leaders who provided and confirmed the information. The quotes provide valuable insight into the keys to success in the effort as well as the difficulties that have occurred behind the scenes. At the end of each profile is a local contact person. These contacts expressly agreed to respond to inquiries from those attempting similar efforts in their own small towns and rural areas. Readers are encouraged to use these contacts.

Readers will find that there are several keys to successful rural area initiatives that begin to become apparent after reading many of the profiles. Even if the efforts are still only in the earliest stages, initiators have taken at least one and usually several of these steps. The hallmarks of successful rural development efforts are as follows.

1. They capitalize on existing resources. There is a great diversity in the kinds of resources that can be tapped in rural areas. Examples include natural, historic, ethnic, and scenic resources; interstate highways, former military installations, and vacant buildings; existing businesses and agribusinesses; and human resources as diverse as foreign residents, local craftspeople, and retired military professionals.

2. They focus on adding value to existing products. Often these products are natural resource-derived, such as agricultural, fishery, forestry, and livestock products. There is increasing interest in small-scale processing plants, agricultural parks (with shared research, testing, packaging, and storage facilities), incubator kitchens for specialty food producers, and forest and furniture industry parks.
3. They aggressively pursue cash transfer strategies. Such strategies include application for available state and federal grants and loans pertaining to community and economic development projects. The most frequent use of these funds is either to help establish and service industrial parks or to offer financial assistance to new or expanding businesses. Many rural areas are setting up revolving loan funds through these monies. Beyond traditional grants, however, rural communities are targeting state and federal correction facilities, power plants, and federal procurements and enterprise zone designations.
4. They focus on helping existing businesses stay and expand. Communities that have only recently begun economic development efforts are much more likely to pursue programs to help local industries stay in business and expand than to attempt traditional recruitment programs. These efforts include strategies to substitute local producers for nonlocal producers of locally purchased goods and services. In addition to these consumer hookup programs, there is an increased use of specialized assistance to the types of industries (e.g., woodworking, metalworking) that comprise an area's current industrial base. The assistance providers vary and might include university and community college faculty and their students, local businesspersons, retired executives, or consulting firms.
5. They incorporate education into their long-term effort. Emerging efforts go beyond viewing educational institutions as the providers of specialty training programs. Rural communities are turning to their secondary schools and supporting countywide consolidations, business-education partnerships, and rural school-based enterprises. Postsecondary institutions are contributing faculty as committee members in local development organizations and students as local researchers. There are economic development "amnesty" programs to get workers who did not complete high school directly into university courses. And there are many examples of a strong facilitator role contributed by the extension service system.
6. They seek training and capacity building for local leaders. This is an emerging area of great importance to young development organizations that depend on volunteers. Successful efforts have often tapped state agencies and professional associations to bring workshops, seminars, extension materials, and other training programs to local residents. Other communities have sent volunteers to regional training programs on subjects such as effective fund raising and grant writing. There is growing awareness of another critical need as well, and that is to break down traditional county political divisions between agricultural and non-agricultural interests. For example, more agribusiness committees are emerging in Chambers of Commerce, and farm/city coalitions are being formed in local development organizations.

7. They emphasize research, planning, and long-term consistency. Successful communities often incorporate strong planning components in their programs or goals. For example, strategic analyses of the economic linkages in a county or region are often the starting points. Coastal redevelopment plans and county land use plans are becoming more accepted in some conservative rural areas. Other areas have pursued safeguards to protect scenic resources where tourism is important, or covenants to maintain unique aspects of special industrial centers. And local organizations regard as essential gaining political and financial support for a long-term and consistent development effort. To this point it is worth noting that many of the rural areas that have succeeded in generating the most new jobs are areas that began their programs 15-20 years ago.

These seven points should be kept in mind by local leadership as they organize for economic development. The profiles that follow provide ample demonstration that dedication, determination, and leadership remain the most essential ingredients to successful rural development initiatives.

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ALABAMA

LINKING AGRICULTURE AND INDUSTRY: BROILER HOUSE INVESTMENT BULLOCK COUNTY, ALABAMA

Union Springs 4,430 (pop.)

Bullock Cty. 10,520 (pop.)

TYPE OF SUCCESS

- Developed a unique local plan involving farmers, industry, lending institutions, government agencies, and an industrial board
- Provided a boost for employment in a high unemployment area

DESCRIPTION

"The Authority keeps in close communication with all existing industries in the community. As one of the oldest and largest industries in the county, Wayne Poultry is a priority for assistance. Our arrangement is informal and is contingent upon specific needs at special times."

"Wayne Poultry and local banks are also working with producers to change their focus to long-term operations."

"Our community has succeeded in this endeavor because we work together. I know other communities where there is so much infighting they can't get their act together. When it comes down to what is good for the community, our principal agencies can reach a consensus."

"We're trying to encourage our farmers to get into something more productive than corn and soybeans, and to help us 'feed' an industry to keep it here. The chicken houses can be operated by just one farm family. We have five families involved now, but we could use about 50 families."

The Wayne Poultry Processing Plant was established in the 1960s following the construction of their facility by the county's Industrial Development Board, supported by revenues from the county's 1 cent industrial sales tax. The property and facilities of Wayne Poultry are owned by the Bullock County Development Authority. This arrangement frees the industry from property taxes. They operate on a long-term lease, and the industry pays the Authority every month.

Past problems of waste treatment and the need for improved refrigeration facilities were handled through close coordination among the City of Union Springs, the city utilities board, the Development Authority, Bullock County, and assistance from a CDBG grant. But in 1985 a new problem began to develop. Transportation costs were increasing for the broiler and brooder house suppliers, located outside of Bullock County. With the improved refrigeration, the processing plant was also preparing to expand and even more birds were needed per week. There had been a time in the 1960s when the county was saturated with broiler houses, but all had been abandoned.

At the same time local farmers were facing tremendous losses from cattle farming, soybeans, and other traditional crops, and many were looking for alternative sources of income. Early in 1987, a meeting was held by the Development Authority for farmers, lending agencies, and Wayne Poultry representatives. Prior to this meeting, the Authority requested Wayne Poultry's principal agent for purchasing birds to work out some cost formulas for constructing chicken houses and to secure approval from the parent company (Continental Grain) to grant local growers long-term contract guarantees, provided they met strict specifications set by the industry.

"The keys to success are finding a sound financial base, using a team approach, and developing a central coordinating agency with competent staff and decision-making authority."

"We are looking at other agricultural development strategies too. For example, we have some very large vegetable growers: one of them serves about 20 states. These growers employ a lot of seasonal workers. We're looking for ways to coordinate with local industry so that our industries can pick up the slack when those people are temporarily out of work."

"In the past two years our unemployment rate has been reduced from a high of 20 percent down to about 12 percent."

The Development Authority agreed to provide grants up to \$2000 per farmer for site preparation for broiler/brooder houses. The farmers would have to meet Wayne Poultry's standards for construction and operation.

To date, five farmers have taken advantage of this opportunity, and others are developing plans to apply for a grant. Specifications for the houses are strict and include full automation of all processes except egg gathering. Wayne Poultry and local banks are also working with these farmers to put greater focus on long-term operations and contracts.

TYPE OF ORGANIZATION

Bullock County Development Authority has a seven-member board and two staff. The public is informed through public meetings (six/year), the county's weekly newspaper, and state and regional publications.

FUNDING

There is a 1 cent industrial sales tax in the county, approved in 1958 in a county referendum. This yields an annual income of approximately \$250,000 for the Authority's use. Wayne Poultry has received a \$100,000 grant for construction of a pretreatment waste facility and a favorable leaseback arrangement from the county for their facility and land. To date, the poultry house project has provided approximately \$10,000 in grants to farmers.

BENEFITS

There are presently five farm families who are participating in the poultry house project. Employment at Wayne Poultry now exceeds 500.

CONTACT

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Bullock County Development Authority
P.O. Box 87
Union Springs, Alabama 36089
205-738-5411

ALABAMA

A SUCCESSFUL RURAL INCUBATOR ESCAMBIA COUNTY, ALABAMA

Atmore 8,789 (pop.)

Escambia Cty. 38,392 (pop.)

TYPE OF SUCCESS

Developed a successful rural business incubator facility from an old National Guard Armory

DESCRIPTION

"Keys to success have been control and flexibility. Control includes a detailed lease agreement, frequent visits, and as much knowledge as possible about the product being produced. Flexibility includes the capability of responding to a new situation, like finding out the parent company of your tenant is out of business but the subsidiary (Alabama Tank) is booming. That's when you renegotiate the lease and start making daily visits."

Escambia County has had an average unemployment rate of about 11 percent over the past few years. In 1983, through a state legislative act, the Escambia County Industrial Development Authority (ECIDA) was created, and operations were begun in free office space in the City of Atmore. Atmore had a fully developed industrial park (510 acres) but no incubator facility. Attention turned to the old National Guard Armory, which had come into the possession of the city as the result of a land swap when the National Guard needed a larger, more modern facility.

About \$3000 was spent on repairs to the 12,000-square-foot building, and after about a dozen prospects it was rented at 50 to 60 percent below market value to a local person to produce tanks for an oil field company.

The oil field company did not make it, but the tank company did. Alabama Tank moved out of the incubator facility in November 1986 into its own 11,200-square-foot building in Escambia County. It employs 14 people and expansion is planned.

The incubator facility is one of the Authority's most successful development initiatives to date. The ECIDA has applied to the Alabama Department of Economic and Community Affairs for \$250,000 to be used to renovate, equip, market, and manage the incubator facility.

TYPE OF ORGANIZATION

"Don't be afraid to try something because you're afraid of failure or because it hasn't been done in your community."

The Industrial Development Authority is a nonprofit development corporation. Five board members represent the three main communities in the county. There are two staff members. The incubator facility is actually owned by the City of Atmore. The facility is marketed and managed by the ECIDA as a part of its total economic development program. The mayor of Atmore, the chairman of the Atmore Chamber of Commerce's Industrial Development Committee, and the ECIDA director confer on recommendations pertaining to the facility which are then presented to the Atmore City Council.

"Build your program around your assets and a total community effort. Economic development is a we and not an I job."

"If you've got long-term problems (high unemployment, dependency on one industry, economic stagnation), don't expect an overnight cure. These situations happened over an extended time frame, and their resolution will require a dedicated long-term effort."

FUNDING

The Authority is funded by an oil and gas severance tax. The annual budget is \$100,000. Costs for the incubator have included maintenance and repair to the facility (\$2500-\$3000) and staff time amounting to \$12,000/year. The income from the \$500/month rent for three years (\$18,000) greatly exceeded the \$2500-\$3000 spent on initial maintenance and repairs to the building.

BENEFITS

Alabama Tank Inc. employs 14 people with sales exceeding \$1 million and an annual payroll of approximately \$245,000.

CONTACT

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406 South Trammell Street
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Atmore, Alabama 36504
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ARIZONA

DIVERSIFYING FROM A TOURISM ECONOMY LA PAZ COUNTY, ARIZONA

Parker 2,542 (pop.)
La Paz Cty. 12,557 (pop.)

TYPE OF SUCCESS

More than 30 jobs were created by a truck body manufacturer; about 96 percent of these jobs went to county residents

DESCRIPTION

"To overcome the negative media coverage about the high water, we spent day after day on the phone. Businesses all up and down the river sent letters to previous customers, telling them they had not, in fact, been flooded out. We had a 'Ribbons, yes! Sandbags, no!' ceremony--a funeral service for the sandbags, with the Governor attending. The Governor ceremoniously reopened the river--really for the benefit of the media! That helped us, but overall it was a long, frustrating experience to recover from unfortunate publicity."

"Since the high water and erosion, business owners have generally moved back from the water and made their businesses more attractive. Today the riverfront is 100 times prettier."

"The turning point for us was when we decided to seek professional training for community leaders and volunteers. Arizona is fortunate in that both the Arizona Department of Commerce and the Arizona Association for Industrial Development have excellent organizations with training specialists. Through the training programs offered by these organizations, our local volunteers went through a specialized training program to determine our strengths and weaknesses, goals, priorities, and plans for accomplishment."

In 1983 heavy flooding on the Colorado River resulted in the temporary loss of the use of the surface of the river. In the severe economic losses that followed, the area learned a harsh lesson: it discovered it had become much too dependent economically on river recreation. Tourism constituted about 95 percent of the area's economic base through resorts up and down both sides of the river along a very controlled stretch. Millions of dollars were lost that year, and some businesses closed. Every business was drastically affected.

At first, the Chamber of Commerce just worked to overcome the negative publicity to the area. In many cases, the image conveyed had been greatly out of proportion to the actual impacts from the flooding.

When the effort to diversify began, an Economic Development Committee was formed in the Chamber. Assistance was sought from the Arizona Association of Industrial Development (AAID) and the Arizona Department of Commerce. AAID presented a four-week seminar program to about 20 local people. The process led to a community inventory and assessment. The seminar successfully educated local residents about the other things that could be done besides playing on the river. Formation of an Industrial Development Authority (IDA) was one goal that came from these training sessions. Another major goal became getting accurate information into a visually appealing package that could be used for recruiting business and industry. The Chamber obtained a state grant (\$5,000) and matched that with city (\$2,500), county (\$2,500), and tribal (\$2,500) grants to produce both a high-quality brochure and a follow-up information book about the county.

Since then a manufacturer of truck bodies, the Morgan Corporation, was successfully recruited and located in the town of Ehernberg. The 115,000-square-foot complex is located on a future industrial park owned by the company and earmarked for the company's own supplier. A carpet mill is also currently building.

"You have to be committed and know what you're doing--and what you've got and haven't got. A close working relationship with county, city, state, and other governmental agencies is also a key to success."

"A full-time economic development specialist would be nice, but there are also some advantages to the use of volunteers. No one knows the community better than the people who live here."

"When the committee wants to do something special, we've had no trouble raising money from the community. The whole community is in concert with the attempt to get new development into the area."

"The second major employment success will be a carpet milling company, under construction now. Interestingly, the owner discovered our area while he was a tourist here. He has a second home down here and wanted to bring a portion of his business from the West Coast. That's the way a lot of our new businesses actually got started."

"We learned that not having scheduled air service was not as critical as we once thought it was. Most large companies that have businesses scattered across the country don't insist on airline service in every town. Driving 50 miles doesn't phase them."

"You never get it all learned. We have updates on our seminar lessons, such as how to handle prospects and how to put a sales team together. One mission may be to look into the destination resort complex."

"Hang in there! And always tell the truth."

TYPE OF ORGANIZATION

The Economic Development Committee is a volunteer committee of the Parker Area Chamber of Commerce and is funded through the Chamber. Members (about 25) of the committee include representatives of city and county government, real estate developers, educators, tribal government, and bankers. The committee was formed largely from those who attended the seminar. Through this committee the La Paz Industrial Development Authority (IDA) was formed. The chairperson of the Economic Development Committee is a member of the IDA.

FUNDING

The Chamber has a budget for economic development of about \$2,000/year.

BENEFITS

- An updated brochure and detailed county information package
- Morgan Corporation brought over 30 jobs to the county
- A carpet milling company under construction will create 50 jobs
- Small businesses starting up, such as a T-shirt shop (8 employees) and a landscaping business (5 employees)
- The community is united behind an economic diversification effort

CONTACT

Dottie Randall
Executive Director
Parker Area Chamber of Commerce
P.O. Box 627
Parker, Arizona 85344
602-669-2174

CALIFORNIA

SITING A CORRECTIONAL FACILITY AND NATURAL RESOURCE UTILIZATION DEL NORTE COUNTY, CALIFORNIA

Crescent City 3,390 (pop.)

Del Norte Cty. 19,000 (pop.)

TYPE OF SUCCESS

- Selected as the site for a new state prison
- Established a redevelopment area to site a beach-front commercial park
- Developed a specific plan for the redevelopment area comprising 80 percent of the downtown
- Got Coastal Conservancy approval for the town's plan
- Obtained grant to research new uses of a locally available hardwood, tanoak

DESCRIPTION

"Economic development represents change. In rural areas in particular, there is a strong desire to hold onto the good old days, and public apprehension is going to be inherent. You must build public consensus on where you want to go. Remember too that elected officials are not always in tune with the local people."

"Deal with the state honestly. Run projects for the public benefit."

"Sit down with the media. They can be your best friend and your political report card."

Del Norte County lies along the Pacific Coast in California's northwesternmost corner. Although State Highway 101 runs along the California coast, this is a fairly isolated corner with most state traffic concentrated inland on Interstate 5. Much of the county land lies within the Del Norte National Park.

Economically, the town has been dependent on the fishing and pulp and lumber industries. When the lumber industry began declining, so did Crescent City--unemployment reached 27 percent in 1982.

Five years ago the community formed a Work and Recovery Committee to study the economic problems of the area and devise a long-term strategy for recovery. Composed of 30-40 community businesspeople, the committee did consensus goal setting. They decided industrial recruitment was not a viable option. Instead, they set as their goals (1) attracting a large government employer and (2) tourism development. They researched federal and state institutional needs to see what type of function could be successful in their rural community. They also decided to take advantage of the natural scenic beauty of their coastline.

After 4 1/2 years they got state approval for a new correctional facility; ground was broken in March 1987. A \$50,000 grant was secured from the Coastal Conservancy for a Coastal Redevelopment Plan. The Redevelopment Area covers 80 percent of the city and is designed to be

"Thank the elected leadership whenever you can."

"Monterey Style." They are improving the infrastructure, building new accommodations for tourists, developing fish hatcheries and fishing piers, and building a fish processing plant.

They also received a \$50,000 state research grant to test tanoak (a local wood) for use in hardwood floors and certain furniture items.

TYPE OF ORGANIZATION

"Pull from all interest groups. Use a town hall meeting format. But keep the goals realizable."

Del Norte Economic Development Corporation is a non-profit organization. There are two staff members.

FUNDING

Operates on the interest from a \$1.5 million EDA grant obtained 10 years ago (approximately \$100,000/yr) plus past state grants from the Coastal Conservancy (\$50,000) and from EDA (\$50,000 to research tanoak).

"Know your barriers and your true ability to accommodate development."

BENEFITS

At full capacity, the prison is forecast to generate a payroll of \$32 million, 600 direct jobs, and over \$500,000 in public revenues.

CONTACT

"A local person can't always do it. Sometimes you need an outsider to really deliver the message."

Director or Nancy S. Steiner, Administrative Assistant
Del Norte Economic Development Corporation
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Crescent City, California 95531
707-464-2169

CALIFORNIA

THE LAKE COUNTY SMALL BUSINESS RESOURCE CENTER LAKE COUNTY, CALIFORNIA

Lakeport 4,000 (pop.)

Lake Cty. 50,000 (pop.)

TYPE OF SUCCESS

- Obtained financial commitments from lenders for \$2,000,000 in business loans in an eight-month period. Most of these loans were previously turned down by banks.
- Created 25 jobs in the City of Lakeport via a CDBG loan to build an office building in that city. The building had been preleased by growing firms.
- The Center plans to recoup the CDBG loan into a revolving loan fund and administer it. The Center has a total of over \$5,000,000 in new local business financing pending.

DESCRIPTION

"Focus on local business first. Avoid big attraction projects or vague projects that require feasibility studies."

"Establish clear goals, with tracking systems to see if they are accomplished...be able to show that actual jobs happened: which company, which job, and when."

"We were trained by people who came to my office every Friday afternoon for three months. They were very knowledgeable. A year earlier, we knew nothing about credit analysis and loan packaging."

Lake County is small and rural. Local businesses have historically been cut off from resources, financing, and information.

The Center was initiated to serve existing business with business counseling and financial packaging assistance. Training assistance was provided by an SBA loan packager, the National Development Council, and the California Department of Commerce for a person to perform the financial packaging and to assist with business counseling.

The Small Business Resource Center has become the focal point for local economic development efforts. In the first six months the Center received 204 inquiries, counseled 96 clients on a short-term basis (less than three hours), and worked on 42 long-term projects. The Center has also become a place where fast information about nearly any federal or state program can be obtained. The previous director of a large on-the-job training program became the director of the Center. This transition helped the Center initially, because the on-the-job training program had been in several hundred businesses, and working relationships and credibility were already established. By concentrating their limited resources on financial counseling and packaging, the small staff can have an impact on expansion or start-up deals that are reasonably mature, i.e., they are at the point where they only need money to make it happen. Generating financing for expansion of existing

industry has been found to be less difficult than creating leadership, organization, management skills, and other components of successful enterprises.

TYPE OF ORGANIZATION

"We keep logs of SBA literature on hand for the person who is casually interested. That way, we can be helpful without large investments of time on deals that are just pie in the sky."

The Center is a joint program among the Lake County Job Training Office, the local development corporation, and the Cities of Lakeport and Clearlake. The Center is housed with the local Job Training Office. The Center's client group creates new jobs, and the Job Training Office works to fill those jobs with residents eligible under the Job Training Partnership Act. The Center has two staff.

FUNDING

"Coordinate with groups that get things done. I learned the hard way. Avoid groups that just get together to complain or are primarily made up of volunteers who are looking to profit themselves and not the community."

For the first year funding was provided by the Private Industry Council, Lake County, the City of Lakeport, and the City of Clearlake. The second year's funding will be provided through State of California Rural Renaissance monies and the Private Industry Council. A \$15 filing fee is charged to long-term clients. As of July 1, 1987, a new fee structure will generate some private funding. Costs for the first year were \$55,000.

BENEFITS

- Creation of about 35 jobs in the first six months of operation
- Made reasonable financing available to local business

CONTACT

Kay Ferrier, Director
Lake County Small Business Resource Center
341 North Main
Lakeport, California 95453
707-263-0630

COLORADO

IMPLEMENTATION OF A TOURISM DEVELOPMENT STRATEGY BURLINGTON, COLORADO

Burlington	3,236 (pop.)
Kit Carson Cty.	7,599 (pop.)

TYPE OF SUCCESS

- Developed a 15-acre Old Town tourist attraction in conjunction with a major state Welcome Center
- Created 57 jobs and retained 20 jobs

DESCRIPTION

"It takes someone with a real personal interest and real love for their area to take an idea like this and make it a reality."

"It takes a community with insight and vision--and this project wouldn't work if we were 25 miles off the interstate either. On an annual average we get 4600 vehicles per day go by on I-70."

"When this project was started, no one envisioned how all-encompassing it would become. When it started, people were thinking about just the cultural aspect--trying to preserve the history of this area and present it in a format that visitors could appreciate. But it has grown far beyond that, to the point where more and more people are realizing what an economic impact it could have on this region and all of the other things that could come out of the project--providing a spot for such things as artist shows, melodrama, entertainers, ghost towns, and other entertainment."

"We're taking some flak. But, hey, in 1928, people had problems with a couple of county commissioners who wanted to purchase an old carousel for \$1250. Today our carousel is famous and worth over \$1 million, and those same people are appreciated for having had vision. But, of course, they weren't heroes then."

The City of Burlington is located on the eastern edge of Colorado, directly on I-70. The city's tourism development initiative was born out of a decision of the city council to seize an unusual opportunity. In 1984 a local family offered to construct a museum for the city. The city council caught the vision and that same year purchased 15 acres adjacent to I-70 to locate the new museum and an Old Town development. In 1984 the museum was constructed. Since then, nine authentic buildings have been donated and moved to Old Town and have been built on location. The University of Colorado Center of Community Development and Design in Denver provided many plans for the overall complex. When the Burlington Centennial officially starts on May 7, 1988, the complex will include a railroad station, bank, barber shop, general store, blacksmith, barn, sod house, school house, church, jail, saloon, newspaper, and others.

The Chamber of Commerce and the City had been working for 12 years to get the Colorado Tourism Board to build a Colorado Welcome Center along I-70 near Burlington. The city offered to donate 9 acres of the 15-acre site to the Colorado Department of Highways to get the Welcome Center located adjacent to the Old Town, and the State agreed. The Welcome Center was constructed in 1987. An estimated 1200 people per day are expected to stop at the Center.

Old Town was originally intended to promote the cultural history of the Central Plains region, but since its inception, community leaders also have come to value Old Town for its economic development stimulus and its entertainment value. A training school was organized by the Colorado Job Service to train about 20 of the summer youth tour guides. The young people were taught about hospitality, how to deal with people, and generally how to take care of tourists. Summer shows presented in the saloon (e.g., cancan dancing and "shoot-out" performances) utilize high school students and local drama clubs.

"The crafts sold are individually made items, each unique. The Welcome Center is located in one half of this crafts shop, and we expect to capture outside dollars from a lot of those visitors."

"Building by committee is not without its problems, of course. Miscommunication between the committee and the city council was also inevitable. For example, the two groups might decide one thing at a Friday noon meeting, thinking everybody agreed...only to find the 'agreement' lasted just until the meeting adjourned! One piece of advice to another community would be to get your plan and stick to it."

"I would advise another area to get a director early on so that the chain of command is clear. It seems like a big financial outlay to undertake right away, but in the long run it saves money. We've had to redo a few things."

"It takes a selling job and a continual flow of information to the newspaper and radio to make something like this work."

"You have to realize that (1) you're going to have a lot of different ideas, (2) some people are going to have to change their ideas if everyone is going to pull in the same direction, and (3) changing someone else's ideas can be a monumental task."

"Most communities have people who are ready to do things, but they're waiting to be asked. I think the volunteerism is there."

In the future the city hopes to coordinate the Old Town tour with a visit to the magnificently restored Kit Carson County Carousel at the nearby fairgrounds. The city also hopes to create a new industry of wood products that could be built during the tourist off-season and sold during the peak season--and also to wholesale out to other locations. In 1987 a section was added to the front of the museum which is selling authentic crafts from the 1800 to 1930 era, produced by artisans of the region.

TYPE OF ORGANIZATION

Since 1984 a Museum-Old Town Committee of six has coordinated the project's construction and the cataloging of gifts given to the museum. All committee work to date has been voluntary. The city hopes to hire a director shortly, however.

FUNDING

Over the past four years the City of Burlington has contributed \$200,000 from general funds for the project. Private donations have exceeded \$241,000. Impact grants from the State of Colorado of \$247,400 were received for streets, lighting, and the parking lot. Job Service contributions of \$34,850 have been made. Nonfinancial contributions came from the University of Colorado--Burlington Small Business Assistance Center, University of Colorado--Denver Center of Community Development and Design, and the East Central Council of Governments.

BENEFITS

- An estimated 57 jobs have been created. Presently 35 are summer jobs. The jobs have generally gone to high school students, economically depressed families, or senior citizens.
- The hospitality training will have long-term benefits for the city's tourism efforts.
- \$13,300 in gate fees and \$16,612 in gift shop and concessions in the first five months.
- An estimated 20 jobs retained year around.

CONTACT

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COLORADO

REGIONAL APPLICATION OF A REVOLVING LOAN FUND SIX-COUNTY REGION, COLORADO

Montrose	8,722 (pop.)
Montrose Cty.	24,352 (pop.)
Region 10	67,000 (pop.)

TYPE OF SUCCESS

- Approved and active loans in four rural counties of Region 10 in Colorado
- Since its beginning in 1984, 207 new or retained full-time jobs (172 of which were in the low/moderate income bracket) have been attributed to the Revolving Loan Fund projects

DESCRIPTION

"Make certain you have 90-100 percent cooperation and understanding from all groups involved; i.e., county and municipal governments, chambers of commerce, and any power groups in your area, and make sure you get the banks involved because if the banks don't want the credit in the first place, why should you get involved? If a deal looks good and the individual is only lacking some capital in order to put it together, that's where an RLF should come in--on a gap financing basis."

"The banks I've worked with love the program because it lowers their risk. But not all of them will take advantage of it."

"We ask for management projections, cash flows, history of management, resumes, business plans, personal financial statements, and personal guarantees. You have to have the business plans right up front, and they have to make sense. We ask for at least semiannual statements and may ask for quarterly or even monthly statements."

The Region 10 area of Colorado is a rural area consisting of 6 counties and 22 municipalities. For the last several years, downturns in agriculture and mining have depressed this region, and the unemployment rate has been as high as 16 percent. In order to retain employees and to create new low or moderate income jobs, the Revolving Loan Fund (RLF) was established in 1984 as part of the economic development arm of Region 10 Economic Development District. Since 1984 the district has applied for and received three Community Development Block Grants (CDBGs) to fund the RLF for a total of \$1 million. Also, the RLF was awarded a \$500,000 grant for energy retrofit projects on new and/or existing commercial buildings.

The RLF assists in total financial packaging for new and expanding businesses but is careful not to enter into competition with local financial institutions. Clients must obtain basic bank financing prior to coming to the RLF. To qualify, the recipient must agree to retain or hire one low/moderate income employee for each \$8000 loaned. The maximum loan is \$100,000; the average size loan is \$69,000. The interest rate is no less than 6 percent. Typically, projects include 20 percent borrower equity, 60 percent bank financing, and 20 percent RLF financing. Retail businesses are not eligible.

Since 1985, the RLF has loaned out \$1 million to worthy clients on a scheduled payback basis. The RLF is averaging over 6.5 percent return on investment, and all excess after expenses goes back into the fund for future lending.

Examples of successful enterprises that recently expanded or relocated in the region with assistance from the RLF include Hauck Engineering-Ross Reels; Woodpecker

"Do not ignore any existing businesses or industries that may already be established in your area and that are thinking of expansion. Make them want to expand in the local area."

"We've probably had charge-offs to date of a couple of hundred thousand. With hindsight, I can see we never should have made those loans because they were too slim, too risky. But even the loans that have gone sour provided salaries that went back into the community."

"You can get financing from private enterprise, church groups, etc., who will support a program to bring employment back into rural areas."

"The ideal situation would be to start out with a \$2 million fund. Based on a 6.5 percent return, that size of fund would give you \$120,000-\$130,000 per year. Out of that you could take your office expenses, set up a \$25,000 per year reserve for bad debts (with a maximum at any one time of \$125,000 reserve), and conceivably your fund could grow after the fourth year by \$25,000 to \$50,000 per year, depending on the returns you were getting."

"To me, it serves a purpose. If we can continue to make good loans and get dollars returned, and as the principal dollars come in and income over expenses grows, we can pour that into new industry. Last year we put \$10,000 over expenses back into the program."

Products Inc., and San Juan Picture Frames. Hauck Engineering-Ross Reels (12 employees) has been tremendously successful with a new fishing reel. Woodpecker Products (15 employees) is working two shifts making cabinet doors. San Juan Picture Frames (18 employees) has averaged better than \$50,000 in sales for the last four months. They are shipping frames all over the United States.

Also, the RLF has provided some agriculture-related processing loans. About 20 percent of the \$1 million loaned out has gone out to agriculture. For example, the RLF has financed a broccoli operation, a processing plant for fresh vegetables (corn, broccoli, lettuce), plus research and test programs on other types of vegetables that could be grown in the valley.

TYPE OF ORGANIZATION

The RLF has one director, one part-time bookkeeper, and one part-time secretary. There is a Loan Committee composed of two representatives from each of the six counties. These are appointed by the county commissioners and include bankers, retailers, retired corporate executives, accountants, and a restaurateur. The RLF operates about the same as a bank lending department but does not become involved with clients until they have established a relationship with a bank.

FUNDING

- Three CDBGs since 1984 resulting in a total loan fund of \$1 million
- A \$500,000 grant from the Exxon settlement for energy retrofit projects on commercial buildings was awarded through the State of Colorado Department of Energy Conservation

BENEFITS

- 172 low/moderate income jobs created or retained
- Leveraging of additional dollars as follows: \$3.12 million from bank financing, \$3.75 million from owner equity, and \$1.50 million from other sources

CONTACT

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Region 10 Revolving Loan Fund
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DELAWARE

A SUCCESSFUL RURAL AREA INDUSTRIAL PARK SEAFORD, DELAWARE

Seaford 5,500 (pop.)

Sussex Cty. 80,000 (pop.)

TYPE OF SUCCESS

- Avoided becoming solely a retirement community and instead strove for balance in demographics and employment.
- Developed a 121-acre rural industrial park and located two companies employing 23 workers. Began construction on another and are ready to sign an option on a fourth.

DESCRIPTION

"Remember that there are both advantages and disadvantages to being a retirement community. Seniors have a lot of good ideas and can offer much free expertise by sitting on committees and giving information. But the retirees of today are probably more affluent than those in the future will be. The wages and benefits today are lower because employers are cutting back in these areas. Also, retirees travel a lot, so they're not putting all their money into one community. Their housing is probably paid for, so they don't benefit the housing or the real estate industries much."

"We wanted to have balance--both retirees and young families--because they have different demands for goods and services. Also, families are critical to the school district."

"What really mattered to Johnson Wax was that even though the rules and regulations were tough here, there was a real willingness by the community to work with them and get them settled in. Even though we don't bend the rules, we

DuPont had long been a major employer in Seaford, but as they computerized their operations, their work force had been shrinking, from 4500 employees in the late 1960s to about 2800 employees today. The city also saw that many local high school graduates were having to leave, especially if they wanted better paying manufacturing jobs. The city was becoming more and more of a retirement community and realized it needed to diversify.

In March of 1983 the City of Seaford purchased 121 acres of farmland zoned for industrial use to develop an industrial park. In December 1983 the Delaware Development Office brought officials of Johnson Wax to review the site and the city's plans, since Johnson Wax was interested for the first time in locating a manufacturing plant outside of Racine, Wisconsin. Seaford had hired an engineering firm to prepare site plans, but the city was still in the very preliminary stages when the representatives from Johnson Wax arrived. What the representatives found was a soybean field, a railroad track with only a farm crossing, and a small city with a commitment to build an industrial park. Early discussions between the city and company determined that Seaford could meet the needs of the company.

Johnson Wax built a polymer plant in Seaford, and operations began in 1986. A second firm, Southern Metals, has also located in the park. These two firms occupy 23 acres and employ 28 workers.

TYPE OF ORGANIZATION

get back to them immediately. Our response time is very rapid here. We take our clients very seriously. We know that just about every day counts. Every day that passes is money to them."

"If you develop an industrial park, solicit the assistance of local realtors, businesses, and residents in promoting it to anyone they know who might be interested. Ask them to keep you informed of any possibilities for follow-up."

"Keep your commitments to tenants! Be open in discussing your regulations. Get a good deal of information about the proposed plant. Visit their home site to validate the information given you. Have covenants and site plans ready yet adaptable to minor changes. Keep the tenants informed of any changes and of who their new neighbors may be."

"Use tenants in selling the site to new prospective clients. Be aggressive and responsive to all client inquiries."

"Our philosophy has been that if a company has to have a financial incentive to come, they probably aren't financially sound enough anyway. If you have to give an incentive, you might get left holding an empty building, and we don't want vacant buildings."

The park is owned and operated by the city. The mayor and council approve the covenants. Operations and coordination are handled by a professional city management team. Local realtors market the park, and the city will pay a commission should a tenant purchase land through a realtor.

FUNDING

The city put over \$1.1 million into the park's development and also secured an EDA grant for \$377,000 for a total cost of about \$1.5 million. Local revenues came from utility enterprise funds and general revenues. The annual maintenance costs are about \$20,000/year for road maintenance, snow removal, etc.

BENEFITS

- In 1986 there were 23 new jobs created from the two firms in the park.
- City and county property taxes are estimated at \$12,200 annually, and city-owned utilities receive about \$272,000 annually.

CONTACT

Dolores J. Slatcher
City Manager
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302 East King Street
Seaford, Delaware 19973
302-629-9173

FLORIDA

RETENTION AND EXPANSION OF EXISTING BUSINESS TAYLOR COUNTY, FLORIDA

Perry 8,254 (pop.)
Taylor Cty. 17,500 (pop.)

TYPE OF SUCCESS

- Implemented a successful expansion and retention effort in the last two years
- Created 350+ jobs
- Invested capital of \$2.3 million in one year

DESCRIPTION

Taylor County is a small, somewhat rural county, located about 55 miles from the state capitol. Unlike most Florida counties, a major portion of its economic base is currently in manufacturing.

Prior to the initiation of the retention and expansion program, the existing industrial sector had been somewhat taken for granted and there was some alienation to ongoing recruitment efforts. At the same time, there was a potential for job opportunities to grow from within the county. The turning point came in May 1985 when the Taylor County Industrial Development Authority hired a new industrial developer and the emphasis began to shift from bringing in new industry to providing support and service for existing industries so that expansion could occur. In December of that same year, the board of the Taylor County Development Authority changed somewhat with the new board placing more priority on business retention and expansion.

The first task was to begin to turn around the image of the Industrial Development Authority and to identify the problems and needs that existed for present industries. Informal visits and phone calls were used to establish lines of communication and begin to build new relationships.

Based on these contacts, the Development Authority started providing services and support by helping establish job training programs, facilitating permits, providing land and funds for expansion, and providing other linkups that will allow an expansion to occur. One of the most innovative programs has been the establishment of a "consumer hookup" program. This program identifies essential business and industrial supplies that are currently being purchased from outside the area. An attempt is then made to encourage a satellite office for the supplier within the county. In addition, finding suppliers closer in proximity to the industry or business lowers freight costs.

"Some opposition to this new focus came from those who want no more growth. However, it's a little different when you can show you are helping their friends' businesses to grow."

"The stance we have taken may not be as glamorous; it is harder to see growth from within. People tend to want to see a big, new plant going up. They don't see 200 new jobs in existing industries as easily."

"There is competition from other cities trying to entice our business and industries away. Because we are providing assistance and are working at retaining them, we haven't lost any."

"We have the mix and we are having growth from industries. We want to make sure our companies grow here...not move somewhere else and grow."

"Good relationships with the city and county governments are absolutely essential. We have a core team effort."

"The bottom line is to get the jobs out there. The key is a ripple effect--people have jobs, they start making money, they start building houses, start spending...."

"Our goal is to create a diverse economy where wages are good and there is an available labor market. We want a person to be able to choose from three or four different career possibilities. Our goal is to make this a career-oriented area."

Over the past 2 1/2 years, this program has been credited with over 350 new jobs created as businesses have expanded, and over \$2 million in new capital investment.

TYPE OF ORGANIZATION

The Taylor County Development Authority is a state-authorized public corporation created under a 1959 statute. The five-member board has four members appointed by the county commission and one by the Perry City Council. The chairman of the county commission and the mayor of Perry serve as ex officio members. There is a director of development as staff (who also serves as the executive of the Chamber but under a separate board and with different functions). There are two secretaries who are shared with the Chamber.

FUNDING

The county and the city provide about \$25,000 of the \$77,194 budget (1986-1987) for the Authority. Other funds are from lease revenues through land the Authority owns. The Authority received from the county approximately 30 acres of land that was formerly a World War II air base. The Authority subdivided this land into an industrial park. In addition, the Authority manages the Perry-Foley Airport for the county; the airport has three tenants.

BENEFITS

- 350+ jobs
- \$2.3 million in capital investment
- New image of the Industrial Authority

Preventing the loss of business and industry to other areas and providing local business owners with services they needed are two benefits. Over the long term, providing more employment options for residents will be important as the area seeks to become a career-oriented economy.

CONTACT

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Taylor County Development Authority
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GEORGIA

LINKING AGRICULTURE AND INDUSTRY: PEANUT BUTTER PROCESSING DECATUR COUNTY, GEORGIA

Bainbridge 10,553 (pop.)

Decatur Cty. 25,495 (pop.)

TYPE OF SUCCESS

- Construction of a \$10 million, 200,000-square-foot peanut processing plant that will add 200 jobs and a market for the county's 27,000 acres of peanuts

DESCRIPTION

"You've got to get the farm community communicating with the town community. You're always going to have some political factions no matter what you do--farmers wanting to control the political power of the county and not wanting the city to have it. We accepted this fact, then got everyone to put it aside to work together for economic development of the whole county."

"I think one key thing that happened was when one individual who is one of the best liked and most successful in the agribusiness community said to everyone that the way we were going to have to communicate was for everyone to put all their cards on the table. We all had to be willing to actually say to each other, 'Hey, man, you're in trouble.' Before, one farmer wasn't willing to say it to another, and one businessman wouldn't say it to another either. You've got to all sit down and say, 'Look, we've got a lot of folks in trouble, let's all just face up to it and see what we can do about it.'"

This south Georgia county is in a farm belt where farms average over 400 acres in size. Farm income has come from peanuts, corn, cattle, and hogs. The county also supports more than 500 small businesses, primarily in the county seat of Bainbridge.

Beginning in the mid-1970s, the agricultural bust plus local droughts began to seriously impact agribusinesses, financial institutions, and retail businesses that relied on the farmers' dollars. By the early 1980s, the county extension service noted these stresses had widened the gap between the agricultural community and the industrial community. The county governing body was made up almost entirely of farmers, while city government, the industrial development organization, and some financial institutions represented other interests. The county was not uniting to deal with the agricultural crisis; farmers were forced to look for financing outside the county. While the county was largely dependent on agriculture, community leaders had lost sight of the turnover value of agricultural money.

The extension director joined with the Chamber of Commerce, local newspaper, and community leaders to educate the county's leaders and citizens on the socioeconomic linkages in the county. A county task force was established to represent the schools, city and county government, media, minorities, industry, and agriculture. The extension director guided this group to set priorities for county development. One early realization was the need to look at the products already produced and try to add value to them. One answer came when a local peanut shelling plant closed and a farm supply dealer heard of a large out-of-state peanut butter processor looking for a Georgia location. A Decatur County delegation flew to Chicago to convince this company that the county could offer 27,000 acres of quality peanuts. A key financial incentive was passed by countywide referendum; it exempted from ad valorem taxes certain inventory goods of manufacturers.

"It's all right to have political fights, but let's get everybody together when it means people eating and being able to keep their farms and make a living."

"I saw people willing to give up a lot of Saturday mornings to go out to our college and figure out a new organization that would work."

"We got people together because of the potential of 300 new jobs plus the possibility that farmers would have a more competitive buyer for their peanuts. We also had strong support from our State Department of Industry and Trade and all the way up to the Governor's office. When they endorse something, we're all more comfortable jumping on it because that's additional assurance."

"We're fortunate here in having a construction company whose bonding capacity is large enough to handle \$10-\$15 million projects. So we can move more rapidly than many small towns."

"Our Chamber now has retreats to define what we want and establish a program of work to attain those goals. Even our state legislators get involved. The county's work in developing the economic perspective may have gotten us started doing that."

"A year ago our Farm Bureau was not involved in economic development. Now they're on the board of directors. Once they were highly suspicious--now they're tremendously supportive."

In early 1987 groundbreaking was held for the \$10 million plant of the John B. Sanfilippo Company, which represents 200 new jobs and a potentially more competitive market for area peanuts. Buoyed by this success, the Chamber and the county are now coordinating on a strategy to promote more cotton production and bring a cotton gin to the area.

TYPE OF ORGANIZATION

The Bainbridge-Decatur County Chamber of Commerce is the lead organization. The Executive Committee represents the Chamber officers and committees, the Development Authority, the city and county, and the Committee of 100. The Chamber has a full-time executive director and an administrative assistant.

In recognition of the increased emphasis being placed on agribusiness as a development strategy, the Chamber recently gave agribusiness full committee status.

The Development Authority's primary role is for tax-free financing. As a secondary role, they're responsible for the airport industrial park.

FUNDING

- The annual Chamber budget is \$52,000, which comes from membership dues (\$35,200), the city and the county (\$8400 each), and from an annual county fair (over \$10,000).
- The Freeport Tax Exemption legislation amounted to a savings of \$200,000 for the company in the first three to five years. The loss in local tax revenues was estimated to be about \$1 million, phased in over five years. However, it was estimated that about 80 percent of the direct loss would be recaptured through the capital investment of the plant and the ad valorem impact of the workers. And overall, community leaders believe the economic momentum afforded by the plant was worth the investment.

BENEFITS

From the John B. Sanfilippo Company:

- 200 new jobs
- \$3.8 million in new income
- \$3.0 million in new sales

CONTACT

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Bainbridge-Decatur County Chamber of Commerce
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Bainbridge, Georgia 31717
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GEORGIA

TURNING A MOTEL TAX INTO A LONG-TERM PROGRAM GORDON COUNTY, GEORGIA

Calhoun 5,563 (pop.)

Gordon Cty. 30,070 (pop.)

TYPE OF SUCCESS

- Increased area household incomes by 55.6 percent
- Added 30 new companies between 1979 and 1987

DESCRIPTION

"The cycles were too extreme in our economic base. Over 90 percent of our manufacturing was tied to carpet and textile companies. We were losing our younger residents to other communities due to our unstable job opportunities."

"At one time there were over 5000 farms, and it is estimated there are only 200 now. We needed to retrain people."

"The training program offered by the state is a real help. Quick Start moves mobile units in as needed by a new company. On-site training is conducted, and then the unit moves on. The instructor is paid by the state; the employer pays for the training of the labor force."

"Our location is definitely a plus. However, until we began an aggressive effort to bring new companies, our location had not brought diversification. We had to decide what kind of industries we wanted and communicate our advantages to them."

"For quite a while, we were so busy chasing smokestacks that we forgot about agriculture. We just didn't get involved."

In the mid-1970s the leadership of Gordon County realized industry in the county was almost totally textiles and carpet. These industries are somewhat seasonal and respond to the cycles in the housing industry. Young people were leaving the county, looking for more stable jobs.

To meet this situation, a Development Authority was formed to help diversify the industrial base. In 1978 the Authority joined with the Chamber and became the recipient of a motel tax that was imposed to help fund the two organizations. A community evaluation was conducted, and using identified strengths, the Authority conducted a letter-writing campaign to a select group of companies. The direct communication of local assets, especially low-cost power and a substantial labor force, was important. A strong probusiness attitude was communicated to prospects and followed with specific assistance in finding sites and providing training. Response from the initial effort brought three new companies; two were Fortune 500 companies.

Building on this success, the community continued to train local residents for new and higher-skilled jobs. Other companies began to locate, and a number of those expanded. The county's work force grew from 13,000 in 1979 to 19,000 in 1987. The tax base has had an annual growth of 12 percent.

More recently, the Authority has also become a state leader in agribusiness development. Representatives from the Cattleman's Association, the Poultry Association, the Farm Bureau, county commissioners, farmers, and nonfarmers were invited to join an agribusiness committee. The main objective the group selected was to make local people in industries and businesses more aware of the impact of agribusiness on the community.

One of the first projects was to reopen a needed grain elevator. With the help of studies by the Extension Service and the local power company, an operator was located and a deal was struck. The elevator has since

"The grain elevator proved to everyone that the Committee meant business."

"We expected to have about a dozen people out for the first planning meeting for Farm/City Week--we had 40! And everybody was elated at how much fun the fair was--just standing around talking to each other!"

"Due to these efforts, we were selected as No. 1 in the state for our agribusiness leadership program."

"Our growth is imminent--our challenge now is to manage that growth."

"Existing industries are an excellent resource and reference, so it is essential that community leaders have a good rapport with the company leadership."

"The state has been extremely helpful. The obligation of the local developer is to keep up with the state level organizations and what they can do to assist you. You can also provide assistance for their efforts."

"You must have the ability to build the infrastructure: water, sewer, gas, electricity, and roads. Good schools and a quality of life that will be agreeable for prospective managers of companies are also important."

become extremely successful. A "Farm/City Week" was the next project. A parade, barbeque, and old-style fair with many exhibitors were among the highlights of the week-long celebration. By the second year the fair had 4000-5000 people involved and 40 exhibitors, and \$3000 was raised for scholarships. The Authority is also sponsoring seminars around the county on estate planning, farm planning, and cash flow analysis in cooperation with local lending institutions, accounting firms, and others.

The newest Agribusiness Committee project is to begin educating county residents on land use planning, using as speakers representatives from zoned and unzoned counties. The goal is to enable Gordon County residents to make an educated decision about the future of their county.

TYPE OF ORGANIZATION

The Development Authority of Gordon County and the Gordon County Chamber of Commerce are the key organizations. The Authority has seven members appointed by the County Commission and City of Calhoun for six-year terms. The Authority appoints the executive vice president to manage its operations, and this person also manages the Chamber operations.

FUNDING

The Authority receives two-thirds (\$90,000) of the proceeds from the motel tax, and the Chamber receives the other one-third (\$45,000). The Authority contracts with the Chamber for marketing activities (\$35,000) and also allocates about \$20,000 annually for tourism.

BENEFITS

1979 through 1986-1987:

- Growth in labor force from 13,758 to over 19,000
- Aggregate income increase by 79.5 percent
- Average household income increase of 55.6 percent
- Tax base increase of about 12 percent per year
- 30 new companies

CONTACT

Phillip E. Overton
Executive Vice President
Gordon County Chamber of Commerce and
Industrial Development Authority
300 South Wall Street
Calhoun, Georgia 30701
404-625-3200

GEORGIA

BOOTSTRAPPING: A SMALL TOWN'S REGENESIS* HELEN, GEORGIA

Helen 265 (pop.)

White Cty. 10,120 (pop.)

TYPE OF SUCCESS

Unprecedented development of a successful tourism economy.

DESCRIPTION

"It all started on a bootstrap and faith in ourselves to bring about change for the survival of a small rural community."

"It is imperative for a community revitalization effort to have a person who is the catalyst for change. Helen had a 'spark plug' who energized the entire community."

"From the start it was decided that this should be a homegrown project. All of the cost and labor came from people in and around Helen."

"How did we do it? Simple! We just put basic principles to work--initiative, community cooperation, imagination, and work, work, work."

"Helen has been able to 'keep its activities authentic' as it capitalized on the resources of the river, mountains, and natural beauty. In all cases the community and its people emphasized quality."

In 1968 the small town of Helen was a dying lumber town in the north Georgia mountains. There were just a few small businesses typical of a small rural community--a restaurant, motel, gas station, drive-in, garage, and two small outlet stores. People drove through Helen (located 75 miles northeast of Atlanta), but few people stopped. The town looked dreary, rundown, and deserted.

Then one day three local businessmen, chatting at a local restaurant, began to ask what they could do to revive the dilapidated store fronts--a long grey row of concrete blocks--to get some of the stream of tourists passing through to do business in Helen. They felt the town did have a beautiful setting, at least, and they reasoned that this resource alone offered potential. A local artist and scene designer was asked for ideas on beautifying the community. This individual had spent time in Bavaria and remembered what the alpine towns there had done to overcome the long winters, provide local entertainment, and attract tourists. Even then, he had noted the similarity between the alpine foothills and the hills of north Georgia. Working with photographs of existing buildings, the artist developed several sketches of Bavarian motifs as overlays to these structures. He showed them around, and overnight, work was under way by one store owner. Slowly, others followed. One by one, the stores were rebuilt with a Bavarian facade. Flowers were planted and empty lots cleaned. Even the local utility companies joined in.

Once the transformation began, people driving through began to stop. Soon public facilities were needed. New business opportunities were created as people wanted places to shop, eat, and spend the night.

* Portions reprinted from the report *Bootstrapping: A Small Town's Regensis* prepared for the U.S. Department of Commerce, Economic Development Administration, by Jane R. Threatt (January 1, 1986).

"An open-minded public along with responsible and flexible leadership was imperative....They understand fully the next stages in both the development of the community and the preservation of the quality of life."

"If tourism is to be a viable industry in your town, certain safeguards must be put into place immediately to protect the town. Support services such as adequate police and fire protection, adequate water and sewer facilities, and adequate parking must be provided for tourism to thrive."

"A strong city charter with backup from a strong Planning Commission and Development Authority is imperative. Proper ordinances have to be developed, including emphasis on land use, zoning, and signage, to sustain the initial quality of the development."

"The tourism industry is not like any other industry--it has to be CONSTANTLY marketed. Professional marketing and promotion of tourism have to immediately begin and have to continue in an organized manner throughout the years to sustain this industry."

"It is a boost to the spirit to see the ability, independence, and determination that built this nation still existing in its mountain people."

"You have to do it yourself, you cannot rely on others."

Since 1969, small businesses in Helen have increased from 7 to 145, the number of restaurants has grown from 1 to 15, and 14 new motels have been built. The majority of shops are still owned and run by local people, however. Helen is now the largest employer in the county, employing as many as 1500 at the peak of the tourist season.

The largest activity is Oktoberfest, which accommodates 80,000 visitors and grosses over \$250,000 annually.

TYPE OF ORGANIZATION

The transformation was accomplished by the City of Helen and the Helen Area Chamber of Commerce working together. The Chamber promotes and operates the various festivals.

FUNDING

All the building owners remodeled their businesses at their own expense. In 1976 state funds were used to fund an addition to City Hall. In 1984 state and federal funds and loans (Farmers Home Administration, Appalachian Regional Commission) were used to construct a new water and sewer plant to accommodate the thriving tourism industry. All other expenditures to support the tourism industry have been underwritten by the City of Helen.

The Chamber of Commerce has a \$360,000 budget. These funds come from a welcome center grant (2 percent), a hotel/motel tax (4 percent), member dues (6 percent), and income from activities (88 percent).

BENEFITS

- An estimated 1415 jobs created, many of which are seasonal employment
- Over \$482,000 in additional tax monies and \$162,000 in other public revenues since 1970
- Over 140 new small businesses, 14 new restaurants, and 14 new motels since 1970

CONTACT

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Greater Helen Area Chamber of Commerce
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Helen, Georgia 30545
404-878-2181

HAWAII

DEVELOPMENT OF AN AGRICULTURAL PARK MAUI COUNTY, HAWAII

Molokai 6,495 (pop.)

Maui Cty. 85,303 (pop.)

TYPE OF SUCCESS

- Established a 450-acre agricultural park and leased lots to 29 farmers to achieve a more diversified island economy
- Created an estimated 80 jobs

DESCRIPTION

"You've got to have the community behind you--the majority of people have to perceive that something like this is needed."

"Try to keep the project as simple as possible, and take one step at a time. Dealing with government agencies, real estate transactions, resource development, etc., can be very complicated and frustrating."

"We didn't want to make it too easy to rent a lot because we didn't want anyone to go in there with a high probability of failing. We made the application form detailed because we thought that would benefit the farmer; i.e., to know exactly what he was getting into. It screened out the people who weren't really ready to farm."

"Not every person can be a farmer--it takes a certain type of individual."

Tourism has long been this area's biggest industry. In recent years, community leaders have become concerned that an overdependence on tourism would be a significant liability if world tensions increased. At the same time, traditional plantation agriculture, primarily sugar cane and pineapple, had declined in profitability, and many sugar companies have gone out of business. The mayor of Maui County instigated the idea of an agricultural park in 1974. A consultant evaluated the concept, and in 1981 bids were accepted for the park's construction.

Over \$1.5 million in EDA and county funds were secured to help purchase 125 acres and bring water to all of the 450-acre site. When actual estimated development costs exceeded this, the county had to lobby the state for more funds. For two years the county worked to pull enough funds together. A total of \$3.6 million was eventually spent on land acquisition and improvements. A total of 31 lots were laid out, and the first ones became available in 1984. Seven lots were about 20 acres, and the remainder were all about 10 acres.

Tenants must complete a detailed application. Tenants must agree to clear the land, put in water meters, and build access roads to their lots. Rents were set at \$100/acre/year with a reservation to renegotiate the rate after the 2nd, 5th, 10th, and every 10th year thereafter for the 50-year life of the project. (This compares with \$125/acre/year to lease land from the private sector.) Currently the park is almost filled (29 lots have been leased). Half of the farmers who have received leases were farmers previously and half are new farmers. The park has allowed access to less expensive farmland as well as long-term leases, which are not available in the private sector, where year-to-year leases are the rule. The farmers can also draw from a readily available pool of labor because of the proximity of all other lots.

"Don't give up if your project is not as successful as expected at the beginning. In our case, we expected a rush of applications at first, but they didn't come. But once the ones who went in began to show success, then it really picked up."

"In the long term it's definitely a good investment because a private developer would never make such an opportunity. The county can afford to wait 40 or 50 years to get a return. There are intangible benefits too--keeping the land in agriculture, for example."

Most of the crops are seed corn, potted plant nursery stock, and vegetable crops. These agricultural products are marketed both cooperatively and independently. Some are consumed on Maui and others are shipped to Honolulu.

Because of the popularity of this first park, the county is considering developing more but smaller agricultural parks. It is felt that the county has many isolated communities that could benefit from this type of agricultural enterprise where farmland, especially land with water, is hard to obtain.

TYPE OF ORGANIZATION

The program is administered by the county and also a nine-member Agricultural Park Committee that reviews leases and addresses problems that are brought up by the tenants' association. The committee is composed of farmers, bankers, and farmer agency representatives.

FUNDING

- \$883,400 was provided by EDA
- \$750,000 was committed by the county
- \$1,966,600 was provided by the state

BENEFITS

- Each of the 30 lots averages two to three employees; an estimated 80 jobs have been created by the leasees.
- The county receives \$33,600 per year in rent, some of which is reinvested in the park as improvements.

CONTACT

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Development Specialist
Maui Economic Development
County Building
200 South High Street
Wailuku, Hawaii 96793
808-244-7808

IDAHO

RURAL INDUSTRIAL DEVELOPMENT FRUITLAND, IDAHO

Fruitland 2,500 (pop.)
Payette Cty. 15,827 (pop.)

TYPE OF SUCCESS

- Recruited an onion processing plant that is utilizing locally grown onions, freezing them, and exporting them nationally and even internationally, thereby adding value to an agricultural product and providing about 100 jobs.
- Recruited a \$6.5 million bottling and canning facility that primarily produces Coca-Cola products for a seven-state area and employs 65 people.
- Leased a city-owned building to start a cherry processing facility that will utilize locally grown cherries and employ about 40 people.

DESCRIPTION

"The main reasons we got Southwest Cannery were (1) we were able to cut so much red tape and make such quick decisions, and (2) there was no infighting, bickering, non-acceptance, or power struggles from the community."

"Our city was able to make fast decisions. If they said to us, 'Gee, we need to know as quickly as we can on this particular item...' if it were crucial enough, we may have a council meeting within 30 minutes and make a decision, so they'd know exactly where they stood."

"We're not big on committees here. We want to represent the people as fairly as we can, and we believe they elected the city council and the mayor to run the city for them. So we keep the committee number just as small as possible."

In 1985 the City of Fruitland's mayor and city council decided to begin aggressively marketing the community's assets in order to avoid the economic downturns that they had observed in so many other small communities. They wanted the jobs and they wanted their children to have an opportunity to stay in the area. Many years before the city had incorporated a 3-square-mile area that had received extensive sewer and water development from an outside corporation, making Fruitland the "longest little city in Idaho." It was this area, ripe for development, that was the city's biggest physical asset. The mayor and city council proceeded to use their attitude and aggressiveness to prove they wanted business--yet at the same time made it clear that the community simply couldn't afford to bring in a company that would become a burden.

Beginning in 1985 the city became the new home for a series of companies including:

- Southwest Cannery of Idaho Inc., a 122,500-square-foot bottling and canning facility valued at \$6.5 million and employing 65 people.
- Dickinson Frozen Foods, an 18,000-square-foot onion processing facility valued at \$1.5 million and employing 100.
- Ryder Trucking Inc., a truck terminal built and leased by Southwest Cannery.

"The first thing I'd tell another community to do is to sit down and take a good look at their INFRA-STRUCTURE--highways, railroads, power, gas, water, sewer, fire ratings, etc.--plus the ATTITUDES of the people. Weigh those things and see what you've really got, and what your community is ready for. If you're going to have a lot of infighting, there's no reason to even try bringing in a manufacturing firm. It's an awful lot of work, and if people are going to protest, you'd better forget it."

"The schools are critical. These companies know that even if their employees don't think they've got the greatest job in the world, if their kids are happy in school and are learning well, they probably won't pack up and move. The school system was a big draw for Fruitland."

"Probably the biggest thing we learned was that if anybody thinks they can BS their way through these companies that are looking to locate, they are wrong. They told us things about Fruitland that we didn't even know. They had done their homework before they even talked to us."

"Don't lock yourself in to any particular situation. Flexibility is the key."

"Don't forget to recognize existing business and industry in your community, realizing that they are indeed the backbone of your community."

- PBX Inc., a truck terminal subsidiary of Iowa Beef Processors that transfers beef from a processing plant near Kuna, Idaho, to Pasco, Washington, which employs 40 people.
- Med Central, an urgent care medical facility valued at \$450,000 that employs 10 people.
- A very new cherry processing facility that leased an old city shop from the city, rebuilt it, and in the first three-month season of operation ran about 1 million pounds of cherries through, while employing 40 people for the three-month period. Next year they hope to operate six months and process 3.5 million pounds. In the third year of operation they plan to build a new plant.

TYPE OF ORGANIZATION

The City of Fruitland (mayor/four-member council) was the initiating organization.

FUNDING

There were no public expenditures required since utility systems, roads (with the exception of slight modifications), and other development requirements had been in place for several years.

BENEFITS

- Between 200 and 300 new jobs created
- \$3-\$4 million in new income
- An increase in assessed valuation of over 40 percent in one year
- Lease income (\$100/month) that is used by an emerging economic development group to continue doing positive things for the community

CONTACT

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City of Fruitland
P.O. Box 324
Fruitland, Idaho 83619
208-452-4421

ILLINOIS

REVITALIZATION AND RENOVATION IN A VERY SMALL COMMUNITY BLUE MOUND, ILLINOIS

Blue Mound 1,338 (pop.)

Macon Cty. 131,375 (pop.)

TYPE OF SUCCESS

- Assisted in developing several small businesses
- Expanded a local metals business from 16 to 29 employees
- Raised funds (local investors) to rebuild the local grocery store after the old one burned down
- Attracted and helped a new dentist

DESCRIPTION

"This is what we're striving for: every time we can get a new business in town or get an existing business to grow, we get more cars in town and more people shopping here. We've got our goal--five years from now we want 100 cars actually in our town every day."

"Small towns can't do it all themselves. Work with your community college! They have a lot of good programs you should go along with. So many people get negative right off the bat, but these programs can provide a lot of good assistance."

In the early 1980s, the residents of this small community became concerned over the number of businesses that were closing in the village. The citizens realized that only through their own initiative would changes occur that would reverse this trend. One of the first major successes was the renovation of the library, accomplished with tremendous support and cooperation from the community. Not long after, one of the village's most influential residents made a five-minute speech at a meeting at the University of Illinois. He stressed that if the small communities, the "backbone of the world," were going to continue to exist, they would need help because they no longer have enough financial resources. Soon after, the university contacted the village and offered to send 13 students for four months to prepare a development plan. The village paid \$1,500, and the university paid the rest of the students' expenses. The plan was prepared in July 1983, and by November 1983 the Blue Mound Development Corporation was formed to carry out the plan.

Since then the Corporation has undertaken several successful projects. Through assistance in marketing, a small ice cream store was expanded into a full-time restaurant, with employment increasing from 5 to 11. Assistance was given to a woman wishing to open a small crafts shop; it has since been quite successful. The Corporation has helped it advertise, primarily through leaflets. An alterations shop was assisted, and it has done so well that the owner has employed two more people and has opened a second small shop in a nearby town. The Corporation assisted the village paper get a bigger building and increase employment through a supply store. The community, with the help of a consultant, is

"I don't think you can buy your way out of an economic slump. You've got to base yourself on volunteer work and helping the public. You've got to go out and get your feet wet."

"If a business wants to give us \$10 or \$15, we'll take it, but we're not looking to put our efforts into fund raising. In our town, meeting the public is our best bet."

"Above all, remember one thing: Don't have negative thoughts!"

beginning to work on a HUD proposal to help build senior citizen apartments. The Corporation is working with the owners of existing vacant downtown buildings to get remodeling done. For example, one contractor agreed recently to remodel some space to provide a barber shop. A woman barber from a nearby town has agreed to operate the shop when the space is remodeled. Most recently, in coordination with Richman Community College in Decatur, the Corporation worked with Macon Metals, a small local business, to help them expand. The result was an increase in employment from 16 to 29 persons, with the business receiving 50 percent reimbursement for training costs in the first six months.

TYPE OF ORGANIZATION

The Blue Mound Development Corporation has a seven-member board. There are five officers: president, vice president, secretary, publicity, and board member representative.

FUNDING

The Corporation is financed from donations. Members are charged \$1/year in dues. Most expenses are met voluntarily by businesses in the community. A budget of \$500-\$600/year meets other expenses.

BENEFITS

- A full development plan for the community
- A new grocery store financed by "shareholders"
- Expansion of the local paper, a small metals company, and an alterations shop
- Start-up of a restaurant, a barber shop, a dentist's office, and a small crafts shop
- Movement toward renovation of area vacant buildings

CONTACT

Mayor Elbert Bonn
Village of Blue Mound
P.O. Box 64
Blue Mound, Illinois 62513
217-692-2713 or 2264

ILLINOIS

BECOMING A PUBLIC ENTREPRENEUR PROPHETSTOWN, ILLINOIS

Prophetstown 2,100 (pop.)
Whiteside Cty. 65,000 (pop.)

TYPE OF SUCCESS

- Organized a for-profit corporation, had a prospectus developed and approved, sold stock, purchased a company, and moved it to Prophetstown. The company, Clear Creek Furniture, now employs 11 persons.
- Has planned a second public stock issue for the purpose of purchasing or developing a second company.

DESCRIPTION

"We decided not to actively try to recruit industry. We discovered that when companies are looking to move, naturally they want the best deal they can get--tax abatement, free land, free utilities, low-interest loans, whatever... We're just not going to compete in that bidding war."

"We started PMI because we believe a community can't stand still--you're either going to go forward or backward. Any town that tries to just maintain the status quo won't make it. We wanted to be sure we had a good mix of industries, to broaden that base of support."

"The city has gotten grants in the past and the strings never quit! There were myriads of paperwork. If you can't afford to hire it done, it's a lot of work and paper shuffling. Also, this is a conservative area. People here want to do things themselves, without a lot of government interference."

Located in northwestern Illinois on the banks of the Rock River, Prophetstown is home for more than 100 small but diverse businesses and two large industries (over 100 employees).

Prophetstown has a long history of making difficult projects succeed and doing so entirely on local funds and volunteer help. The town's golf course, nursing home, indoor/outdoor pool, and care center for the physically impaired were all accomplishments demonstrating an unusual degree of ability, interest, and resources.

The Prophetstown Economic Planning Commission (PEPCO) has been in existence since 1981 with the intent of providing future jobs for the young people of the town and of keeping the industrial base diverse. Early on, PEPCO members made the decision to generate local funds for development efforts rather than applying for state or federal grants, and to seek to buy a company and move it to town rather than trying to recruit a company. A corporation, Prophetstown Manufacturing Inc. (PMI), was formed.

A corporate charter was difficult to obtain from the state. Even more difficult was getting the federal Securities and Exchange Commission (SEC) to approve PMI's prospectus. The approval came in May 1984. It was likewise not easy to get the prospectus through the securities division of the State of Illinois, but the prospectus was finally approved in July 1984. By September 1985 the \$100,000 minimum was reached through sales of \$10 stocks. In June 1986 PMI purchased the rights to manufacture and distribute a line of oak wall unit designs ("Clear Creek Furniture"). PMI leased an

"It was just a question of getting the thing up and running so that it would make a profit. Many people who have good ideas don't know how to do that. But we have people on our board who do know how to do it."

"The most critical guidelines are (1) be certain that the management head or someone from the company who knows how to produce the product comes with it; and (2) be sure to purchase at least 51 percent of the company. And remember to always get the public involved with the fund-raising effort. And always keep them informed."

"To date, we've got 11 people working, 7 of whom were previously unemployed. We have a building that is full that was empty, and we're pumping about \$2000 a week in wages back into the community. That may not sound like much, but it's a start. And we're going to turn right around and start another one in November."

empty building (formerly a car dealership), rehabilitated it, and used the former designer of the Clear Creek line of furniture as a consultant in making the furniture. One person on the board functions as financial manager.

The company now makes 26 different pieces of furniture and has 11 employees. Sales in the first eight months were about \$125,000.

PEPCO and PMI are now searching for another company presently manufacturing a product that would complement industry now in the community, provide jobs, operate on a profitable basis, and pay dividends to the stockholders out of any such profits. However, they plan to make the next stock offering strictly intrastate, to simplify the process.

TYPE OF ORGANIZATION

A public, for-profit corporation, Prophetstown Manufacturing Inc. (PMI) is the vehicle for the stock offering. The nine-member board of directors includes the mayor, a retired manufacturer, business owners, an attorney, a computer consultant, an accountant, and a hospital technician.

FUNDING

No public expenditures have been required. PMI paid a business acquisition fee to a business broker firm when it acquired the Clear Creek Furniture Wall Unit. A total of \$127,000 has been raised from 585 stockholders.

BENEFITS

- Sales of \$125,000 and income of \$20,000 between August 1986 and April 1987
- 11 jobs created

CONTACT

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City Hall
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Prophetstown, Illinois 61277
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INDIANA

LONG-RANGE PLANNING AND COMMUNITY ECONOMIC DEVELOPMENT JAY COUNTY, INDIANA

Portland 7,074 (pop.)
Jay Cty. 23,500 (pop.)

"Avoid looking for a quick fix. Avoid approaching projects with too much urgency or expecting success too quickly or too easily. A community must be willing to make a long-term commitment--at least 20 years."

"Avoid keeping the leadership in the hands of too few people. While there is a need for continuity, it is just as important to develop new leaders and to capitalize on the talents of community members. Young leaders will be needed to carry on what you start."

"To be successful, projects need both public and private funding. Don't be too dependent on public money, though. The community promotes itself if a spirit of giving is created and people feel good about investing in their future."

"Private funds can come from financial institutions, industrial trusts, local foundations, individual donors, private industry, and service clubs. Good relationships with state representatives and state agencies such as the Department of Commerce also provide a pipeline to potential funds."

TYPE OF SUCCESS

- \$2.5 million in airport improvements
- \$10 million consolidated county high school
- \$7 million health facility
- \$500,000 Center for the Arts
- \$400,000 community recreation center
- Formed the Portland Foundation, the Jay County Economic Development Corporation, and the Portland Industrial Development Corporation
- Created 500 jobs and retained another 500 jobs

DESCRIPTION

In the 1960s the community's leaders took a hard look inward and decided that if the community were going to prosper, more leaders needed to be developed in the public and private sectors. Business and industrial representatives began meeting with the mayor and Chamber of Commerce representatives weekly in breakfast brainstorming sessions. From these modest beginnings several changes gradually occurred. The makeup of the city council was changed to include more business and industrial leaders. A progressive school board was appointed and a countywide school system established. In 1974, \$10 million was spent constructing a state-of-the-art educational facility. A \$7 million county hospital was constructed in 1980. In 1982 an airport expansion was completed with \$2.5 million in federal and local funds. An active county fair board continued to ensure a good reputation for the fairgrounds with extensive landscaping, physical improvements, and active programming. A \$400,000 renovation of the county boys club was accomplished with local funds in 1986, turning an old armory into a recreation center.

The Portland Foundation was established to provide financial support for community projects. Today the Foundation has over \$3.1 million. It distributes annually over \$100,000 in private projects and \$70,000 in scholarships to young people. The Foundation helped create a Center for the Arts, a \$500,000 facility with innovative programming highly unusual for a community of this size.

After this strong start, economic problems still surfaced. The county's main industries were a garment company, a glass factory, and a forging plant--none of

"The best in the community have to volunteer to be involved. For example, I was mayor at no cost for a few years, just to free up funds to hire a secretary and have some money for promotion. Only in the last few years has there been a stable source of public monies for the Development Corporation--prior to that, basically everyone paid their own bill. These kinds of commitment and integrity are keys to raising money."

"When we first went to Hoosier Hospitality, we took 25 people in red jackets and overwhelmed the group. We had an airplane to keep shuttling professional people back and forth--and even flew an industrial prospect down to Portland, right out of Hoosier Hospitality! The next year the rules were changed--but we're proud that we have been so aggressive!"

"You've got to have leadership. Your key people have to be committed. Once that happens, if money is needed, it can be raised. After all, you can't hire people at \$15,000 a year and expect them to do a \$45,000 or \$50,000 job."

"It took a lot of selling to get the county involved, but we had valuable help from the school system. We met with township trustees, we picked key farm people to speak out, we pointed out the declining school enrollments and declining employment to sell the agricultural community. We could fill a hearing room whenever we needed county support."

"Believe in what is possible. The positive 'we can do it' attitude provides energy for the effort."

which are growth areas. Between 1978 and 1982 the town lost 1800 jobs; by 1985 the unemployment rate was 24 percent. The community responded by forming the Jay County Economic Development Corporation.

The Corporation is pursuing industrial and business leads, ongoing strategic planning, and working with the city to identify and implement needed infrastructure improvements. In 1986, the Corporation succeeded in bringing a major industry, J.C.I. Inc., to the local industrial park. Of the 500 jobs associated with J.C.I. Inc., an estimated 75 to 80 percent were filled by residents of Jay County. The Corporation was also responsible for retaining 500 jobs in another local company, Indiana Glass.

TYPE OF ORGANIZATION

The Portland Foundation is a charitable foundation incorporated in Indiana. Jay County Economic Development Corporation is a private, nonprofit organization classified as a civic league.

FUNDING

The county, the City of Portland, the Chamber of Commerce, the smaller communities in the county, area townships, local banks, and the Portland Foundation have all contributed to the \$110,000 annual effort. This year the Development Corporation was included in the county's budget for long-term funding. The other major public expense has been development of the industrial park, estimated to have cost over \$1,000,000.

BENEFITS

- Between 1986 and 1987 over 500 jobs created and 500 jobs retained (J.C.I. Inc. and Indiana Glass)
- \$26.9 million in personal income created or retained
- \$14.4 million in sales
- County income tax of \$269,000 generated
- Local property taxes of \$175,000

CONTACT

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IOWA

SUCCESSFUL LONG-TERM RURAL INDUSTRIAL DEVELOPMENT PROGRAM CLARKE COUNTY, IOWA

Osceola 3,750 (pop.)
Clarke Cty. 8,612 (pop.)

TYPE OF SUCCESS

- Sold memberships to finance the Clarke County Development Corporation
- Purchased and developed an 87-acre industrial park (and later a 65-acre addition)
- Attracted over 800 new jobs over the Corporation's 18-year history

DESCRIPTION

"It must be stressed that the achievements of the past 18 years represent a community effort. Without the cooperation and support of city and county government, civic organizations, and the general public, none of the endeavors of the corporation could have borne fruit."

"Viewed by the farming community, the industries are almost regarded as a 'second crop.' It's kind of our way of supporting the farming habit. Some estimate that area farmers and their wives hold about half of the new jobs."

"I think selling memberships is absolutely the best way to go. You can get more people involved that way. The more people who have an idea what's going on, the better it is for the county and the community."

In 1969 the economic health of Clarke County was failing. During a period of unprecedented national growth and prosperity, the county was struggling to hold its own--and was losing. Its economic strength, rooted deeply in agriculture, was declining as farm mechanization and consolidation drastically reduced the need for people to operate the farms. Unneeded, with better opportunities elsewhere, the county's young people were leaving at an alarming rate. It was clear that the county had to produce things other than raw farm products if it was to reverse this trend.

It was in this atmosphere and in recognition of these facts that the Clarke County Development Corporation (CCDC) was formed in 1970 by a few people of vision--those who believed in the future of the community and who were willing to make a long-term commitment of their time, their energies, their business acumen, and their money to create a future that would benefit all the citizens. They requested contributions during a membership drive, and over 330 individuals and businesses became members. Enough money was collected to purchase an 87-acre farm which was established as Osceola's first industrial park. Profit made on the sale of the frontage property at the first industrial park for retail strip development was used to give industries a break on the cost of their industrial sites.

Many years of hard work were required to make it successful. The CCDC's primary strategy was originally (and continues to be) attracting and aiding in securing the location of new industries in Clarke County. The industrial recruitment strategy has been very successful, due in part to a favorable location on Interstate 35, competitive gas and electric rates, a strong work ethic, and a great deal of persistence.

"We're certainly concentrating a lot more on the existing industry now, and it is paying off--they're expanding. We help them with whatever they need--water, utilities, and help with labor training through the Job Training Partnership Act people."

"We may have to change our strategy if the federal role in development assistance declines, but our feeling is that as long as grants are there, we need to get in and get our share. The more industry and jobs we get, though, the more local taxes we have and the better able we are to support our own development needs."

"Our school superintendent is an ex officio board member and has been very interested. He comes to the meetings. In fact, just today we had a Chamber of Commerce meeting and he announced that, thanks to the Development Corporation, school enrollment increased by 70 children this year over last year. This is a school system that has a total enrollment of about 1200-1300."

"It used to be that everyone left to go somewhere else where the jobs were, but now young people that left here 10 or 15 years ago have found out that there are jobs here and they are coming back. Even professional people are coming back."

TYPE OF ORGANIZATION

The CCDC is a nonprofit corporation. There are over 330 individual and business members, each with one vote for the 15-member board of directors. Board members represent real estate, motel, utilities, farmers, banks, and local businesses. The activities of the CCDC are still being financed by the original membership contributions. The CCDC supports one part-time secretary. Office space is furnished by the city.

FUNDING

- 1970: Streets, sewer, and water in new 87-acre park--\$380,000 (local)
- 1973: Sewer treatment plant--\$1.2 million (80 percent EPA, 20 percent local)
- 1980: Additional water tower, streets, sewer, and water in new 65-acre addition park--\$800,000 (50 percent EDA, 50 percent local)
- 1985: Increase in city water supply--\$1,325,000 (56 percent EDA and HUD, 44 percent local)

BENEFITS

Since 1970:

- Local industries have increased from 2 to 13.
- 824 jobs have been created and 200 retained.
- Retail sales have increased from \$10.5 million to \$32.9 million (1986).
- The tax base has risen from \$12 million to \$87 million.
- Industrial property tax has increased from \$13,930 (1969) to \$347,770 (1985).
- Roads are now 92 percent paved, boarded up stores no longer exist, and Clarke County's population increased (for the first time on record) from 7581 (1970) to 8612 (1980), or 13 percent.

CONTACT

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KANSAS

FOREIGN INVESTMENT IN A SMALL RURAL COMMUNITY HILLSBORO, KANSAS

Hillsboro 3,000 (pop.)

Marion Cty. 13,522 (pop.)

TYPE OF SUCCESS

A community of 3000 secured some international financing for a local business venture.

DESCRIPTION

"It isn't because of some magnificent move that our Development Corporation made--it's because we worked with an opportunity that was a diamond in our own back yard. We were willing to pursue that opportunity."

"Even small communities should be thinking global. But some of them can't even work with the next community down the road! If you can't even do that, you should get out of the business."

"You don't have to have an office in Germany or a contact in Japan. There are foreigners in many communities who might be or might have valuable contacts. You have to seize upon such opportunities."

"If you do nothing and hold back, you'll never accomplish anything. You have to take risks. We still have a long way to go, but we've made a lot of progress too."

"We use all the people we can who are available from the Kansas Department of Commerce. They are our ambassadors. But to do this, we had to have our act together at the local level. If the Kansas Department of Commerce or the Governor or the Secretary of State recommends somebody to Hillsboro, they can feel confident we will be a credit to the state. You have

Hillsboro is a community in south central Kansas that has long enjoyed progressive leadership and strong economic development programs under the Hillsboro Development Corporation. The 160-acre Hillsboro Industrial Park was created in 1969 by a forward-thinking group who realized the community had to avoid a strict reliance on agriculture and diversify its economy. Today the park has six tenants, occupying 60 acres and employing nearly 100 people. (The remaining 100 acres are leased for farming but are for sale.) It is an enterprise zone, and the city recently passed a tax incentive/tax abatement policy.

Hillsboro's emphasis has long been on homegrown economic development and has earned the community numerous state achievement awards. An interesting example of the philosophy of the community and the Hillsboro Development Corporation to make the most of local opportunities is the recent opening of Hillsboro Silks, Inc.

In 1980 a Taiwanese businessman purchased a motel in Hillsboro and settled in the community. In 1986, when a group of Taiwanese investors came to the United States for a 10-state tour, they came to Hillsboro because several of the group were personal friends of this individual. Several potential investors thereby became familiar with the community. When a 5000-square-foot building became available in the Hillsboro Industrial Park after the loss of an oil-related industry, the community and the Hillsboro Development Corporation rallied around the idea of utilizing these initial contacts to attract foreign investment into the area. About 15 local people put up private money, and the development corporation also contributed to underwrite the purchase of the building if a Hillsboro-Taiwanese link could be made. With this goal in mind, Hillsboro sent a representative to Taiwan to explore possible products to be locally produced.

to build an identity and a credibility, which we've worked on for many years."

"We run on a really tight budget, and we dream up innovative, inexpensive things to do. We use volunteers to make everything happen. We've been very successful for a town of our size."

"You can't just always say, 'Throw money at the problem' and that will do it. If you don't have the person who knows what's going on, you can spend a lot of money on brochures and advertising that won't make anything happen."

"Our roots go back to 1969 when a very innovative group of people said, 'Hey, we need to diversify from agriculture.' A number of citizens put their money where their mouths were and bought this park. So we have a long history of being strong economic development people way before it was timely. Now everybody's hot on it, but in 1969 we were really oddballs. There was a real job then to convince the city commissioners that this was a viable way to go. This historical perspective has made my job a lot easier. Those starting from scratch today face a real challenge."

"Educational facilities, quality of life, labor force, good employee relations--these are still the prime considerations of industries and therefore of economic development in the long run."

At about the same time, the Kansas Department of Economic Development became aware of a small silk-floral company in Wichita that was looking for a new source of materials and also needed more space. This company was put in touch with Hillsboro, partly due to the attention Hillsboro had received at the state level for hosting the large foreign contingency earlier. The pieces came together when the Taiwanese who had visited Hillsboro purchased the vacant building and the silk-floral company's owners/managers moved to Hillsboro to open Hillsboro Silks Inc. in the building. The firm will make artificial trees, plants, and floral arrangements.

The company is about a year old, and there are three people employed presently. More important, the precedent of foreign investment in the community is viewed as very significant for the future, when larger investments and expansions are contemplated by the same investors.

TYPE OF ORGANIZATION

The Hillsboro Development Corporation was established as a for-profit corporation. (It has never paid dividends, though, since stockholders have traditionally viewed their stock purchases as investment in the community's future.) There are 131 stockholders who own approximately 2400 shares. Stocks were purchased initially for \$10 per share.

FUNDING

- The \$68,000 purchase of the building for Hillsboro Silks Inc. included \$11,000 from local businesspersons, \$7,000 from the Hillsboro Development Corporation, and \$50,000 from the Taiwanese investors.
- The Hillsboro Development Corporation has annual operating costs of about \$30,000, excluding administrative costs.

BENEFITS

- Nearly 100 jobs in the local industrial park
- Financial backing from foreign investors, unusual in a community of 3000 residents

CONTACT

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KENTUCKY

ATTRACTION OF AN ELECTRONICS COMPANY JACKSON COUNTY, KENTUCKY

McKee 1,000 (pop.)

Jackson Cty. 11,996 (pop.)

TYPE OF SUCCESS

- Assembled financing necessary for acquiring land for an industrial park and building a facility
- Successfully recruited a major electronics company

DESCRIPTION

"It is essential to define the goals of your group using a group consensus approach and using the consultation of specialists. And include a wide range of people with both personal and community interests in the project."

"Our proposal was very professional looking. Our formal presentations were well done; we rehearsed our presentations and had advisors who were very helpful. We put in a lot of time."

"Everybody else was trying to do the same thing. We tried not to be greedy; we wanted to be cooperative. Our main goal was to keep the plant in the general area if not in our own county."

"The company brought in several professionals who evaluated the proposals. We had to be responsive to furnish details when a request was made. The process did not end with the submission of a proposal."

Jackson County, Kentucky, has experienced chronic unemployment in the past few years with unemployment rates hovering between 13 and 17 percent. The economic base is primarily agricultural--tobacco farming and dairy farming--with some coal mining. The county is one-third to one-half national forest land. Opportunities for manufacturing have always been limited.

The Jackson County Development Association was formed in the fall of 1984, when the county judge, the extension service, the mayor of McKee, and interested private citizens came together for a meeting. The first project, preparing a county brochure to promote tourism, was financed through private contributions.

When an electronics plant in a neighboring Kentucky county burned and the company decided to consider relocation when it was rebuilt, the Association decided to submit a proposal. At stake were 200 jobs, and much of the labor force resided in Jackson County. The Jackson County Industrial Authority was formed to acquire land. Grant applications were made, and the Association was successful in receiving a total of \$1 million in CDBG and EDA grants for development of the industrial park and construction of a building for the Mid-South Electronics Company.

Ultimately the Jackson County site was selected. The united effort, combined with a well-prepared proposal and untiring follow-up, impressed the company looking for a new location. The electronics plant is opening this year and will employ 150 initially and an estimated 500 within several years.

Several other positive results of the effort have occurred. There is now a developed 106-acre industrial park in Jackson County with 91 available acres. The successful location of a plant has encouraged the Association to pursue other leads. As part of the Mid-South proposal an airport with a 4500-foot runway is being

"Keep the organization functional and flexible and always active. Keep your information and plan of action current and understood by members. Be responsive to the public interest and apolitical, yet communicative with local and state officials."

"We were able to keep the project from being tangled up in unnecessary politics. We had support from the public officials and from the private leadership. We did not ask the state to take sides. There were other counties bidding too."

"You have a right in development to be selective and not go after everything that comes along. Know what deals can be offered, and have two or three people who can talk with any prospect."

"Be cordial to every visitor who comes to your area. Make them feel at home."

developed in McKee. The road that connects with the interstate (23 miles away) is being improved. Training programs in the area are being used to prepare workers for employment in the plant. Jackson County now has an opportunity to continue diversifying its economic base and providing employment for its residents.

TYPE OF ORGANIZATION

Jackson County Development Association is a nonprofit incorporated group. Elected officials and members have included a county judge, the mayor of McKee, the county extension service, private citizens, and businesspeople. There are 30 active members in the group, which was formed in 1984.

FUNDING

- The Association has an annual budget of \$1000. Funds have come from the sale of a promotional booklet and donations by individuals and sales at public events.
- Funding for the plant location came from a CDBG grant (\$400,000) to the Association and an EDA grant (\$600,000) to the Industrial Authority. Additional funds will be channeled into road improvements and development of the airport through state programs.

BENEFITS

- Development of a 106-acre industrial park
- Location of an electronics plant that will employ 150 now and move to 500; the net gain in jobs would be as much as 300
- Valuable experience in grant application and proposal development

CONTACT

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LOUISIANA

LOCATION OF A FEDERAL DETENTION FACILITY OAKDALE, LOUISIANA

Oakdale 7,155 (pop.)

Allen Parish 21,390 (pop.)

TYPE OF SUCCESS

- Located a federal detention center after a 13-month effort
- Involved state and congressional delegation
- Community supported the project

DESCRIPTION

"Our unemployment was the highest in the nation, and we were ready to take drastic action."

"Even when we were told a site for the facility had already been chosen, we did not give up. We asked for an opportunity to present our case. We persisted."

"We covered all of the bases for 13 months. Every time a rumor circulated about the facility, we followed up on it. We stayed in touch with all of the players throughout the process."

"Since the facility was a very controversial issue in the community that was the No. 1 choice, having the total support of our community really impressed the federal officials."

From the late 1970s through 1982 the small city of Oakdale lost an estimated 1300 jobs when plants were closed. Paper mills, a hardwood sawmill, and a plywood plant were all closed either because of a company decision that the plant was obsolete or poor markets. By January of 1982 unemployment was at 31 percent, the highest in the country.

In an effort to meet this crisis, the Governor called a meeting to help form an industrial development board. In a later discussion with the chairman of the newly formed board, an assistant of the Governor brought up the possibility of a federal detention center for location in the city. The mayor, along with several others, checked on the economic impact of such a facility and brought the members of the industrial board together to explore support for the concept. With consensus that this offered an opportunity for the community, the mayor and other interested citizens began to meet with other groups in the community to explain the concept and elicit their support.

As support was gained, contact was made with the U.S. Immigration Department to offer the city as a site. They were told that a decision had already been made for a first-choice site; however, at the mayor's urging the director agreed to let Oakdale present its case. The department officials, convinced through a presentation by the mayor and chairman of the industrial board, agreed to a hearing in Oakdale. Assistance was enlisted through local ministers and other leaders to rally the townspeople for the public meeting. Eight hundred residents attended the hearing. The Department of Immigration, recognizing the value of such broad community support, replaced the previous No. 1 choice with Oakdale.

"We are beginning to see the ripple effect of the location of the facility. We have a new motel and a new bakery, and a new restaurant is probable. We also have broken ground for a second federal facility--a federal deportation center that will provide an additional 400 jobs within four to five years."

"Oakdale did such a fantastic job that when the state announced plans to construct two new prisons, 12 parishes (counties) actively campaigned to be sites. Before our effort this just would not have happened."

"If you want industries today, you have to put together an attractive package to get them. You need a combination of funding sources because small, rural communities don't have a single source of funds. You have got to have cash, pure and simple. If you are not willing to pay the price, then you don't fuss about not getting industry."

"What a lot of smaller areas don't understand is that if you don't have a building available and you don't have the land or you aren't willing to put up some money, you probably won't have any prospects."

There were still other hurdles, however. The Justice Department made a decision to have the Bureau of Prisons join in the operation of the facility and determined that the facility should be located adjacent to a federal prison. Since Oakdale could not meet this requirement, it appeared as if the effort had failed. Through the efforts of one of the Louisiana senators, the legislation was amended in the senate committee to remove the condition of a federal prison proximity.

The community continued to press its case. The mayor made six trips to Washington. The community sent telegrams to the Attorney General and even held prayer vigils for the location of the facility. The congressional delegation made arrangements for a meeting with the Attorney General which was attended by the entire delegation, the Governor, and the mayor. This concentrated effort brought the location of the facility to Oakdale.

TYPE OF ORGANIZATION

Industrial Development Board and strong city leadership

FUNDING

- The city invested an estimated \$100,000 in purchase of the site, and the state provided about \$550,000 for sewer and water systems and a road onto the site.
- Leases on city-owned buildings provide funding for future development. The mayor's goal is to have \$10,000 a month coming in to support economic development.

BENEFITS

- 360 jobs provided in the first detention facility with estimated construction costs of \$8 million.
- 100 jobs provided initially in the second facility; growing to 400. Estimated construction costs of \$8 million for this second facility as well.

CONTACT

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MARYLAND

CENTRAL BUSINESS DISTRICT REVITALIZATION BRUNSWICK, MARYLAND

Brunswick 4,572 (pop.)

Frederick Cty. 114,792 (pop.)

TYPE OF SUCCESS

- Four business loans resulted in one expansion and three new businesses
- Rehabilitated substandard residences
- Completed Railroad Square Project
- Designed work for new sidewalks and parking lots

DESCRIPTION

"An energetic, enthusiastic person to manage the program is the first ingredient needed."

Brunswick is located on the side of a mountain overlooking the Potomac River and the historic C&O Canal. It is about one hour from Washington, D.C., and Baltimore.

The town's economy was closely tied to the B&O Railroad, and the local economy followed the decline of the railroad. The downtown area had deteriorated with several stores in danger of closing. A new shopping center was being constructed, which began to draw trade away from the downtown. No concerted effort had been mounted to revitalize the central business district.

"You cannot be successful without the support of local elected officials."

A group of interested citizens, with the former owner of an antique shop taking a leading role, recognized the potential of the downtown area. For example, the only intact, operating roundhouse in the state is found in Brunswick, and the town is listed in the National Register of Historic Places. Through volunteer efforts of these interested persons, a main street revitalization program was undertaken. This effort has become the catalyst for all development initiatives. The mayoral candidate who supported downtown revitalization efforts was supported by those community leaders interested in development. His election brought city government into more direct involvement and provided a commitment from city officials.

"Support persons in local elections who are willing to make public commitments to revitalization."

From the initial volunteer efforts, the Brunswick Revitalization Committee was appointed officially by the Brunswick city government in 1984. This official recognition made it possible to receive assistance from the state and federal governments for the revitalization program. Plans to begin the redevelopment of the central business district were shared in community meetings, and the resulting publicity has assisted in interesting others.

"Dissension among community members is the No. 1 cause for failure. Dissension occurs due to misconceptions, ignorance, rumor, and an overall lack of good information about the revitalization process. The public must be kept informed."

"Do not assume because you do not receive a grant through an initial application that you will never get one. Try again."

"From the enthusiasm and publicity generated by our revitalization program, we are attracting developers and investors."

TYPE OF ORGANIZATION

Basically a volunteer organization from its beginning, the Brunswick Revitalization Committee is composed of 30 community leaders and operates under the local authority of city government.

The organization will begin to work on increasing tourism as another step in development activities in the future along with more emphasis on residential renovation in the downtown area.

FUNDING

The town government has provided a minimal amount for workshops, postage, photography (1986-1987, \$1300) and has matched a grant from the Maryland Industrial and Commercial Community Redevelopment Fund of \$5000. A Community Development Block Grant of \$680,000 has provided funds for renovation, rehabilitation of buildings, capital improvements, and the establishment of a revolving loan fund. A grant to be received in 1988 from the Maryland Historical Trust will restore the train station. The State Railroad Administration is providing \$100,000, and the National Park Service C&O National Historical Park is making improvements to the canal and towpath in Brunswick through the U.S. Department of Interior.

BENEFITS

- Two start-up businesses
- One business retained under new ownership
- One expansion
- Several new full-time jobs created
- Current owners of buildings needing renovation are experiencing renewed interest in their properties
- Traffic has increased into the downtown area
- Downtown Business Association has begun new promotion process

CONTACT

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MASSACHUSETTS

Northern Tier
Region

165,000 (pop.)

"Without the strategic economic analysis, none of this would have been possible. That absolutely has to occur so that you have a very comprehensive understanding of what is going on in the regional economy."

"We felt that the manufacturers weren't paying enough attention to design. To really take advantage of new market opportunities and niches, they need to be doing a lot of R&D in design. But you can't come in and start talking about that--we had to respond to their immediate concern first, which was for management training."

"We're hoping that in the future the faculty or graduate students will continue to keep in touch with the businesses and also with the chapter of the National Tooling and Machining Association that exists in western Massachusetts. Our strategy will ultimately be to get them to work through their trade association."

A REGIONAL APPROACH TO RURAL ECONOMIC DEVELOPMENT NORTHERN TIER REGION, MASSACHUSETTS

TYPE OF SUCCESS

Initiation of a multifaceted strategic plan for an entire rural region

DESCRIPTION

The northern tier region of Massachusetts is the largest rural area of the state. It encompasses all of Franklin County and parts of two other counties. It is a 44-town region that historically has had chronic unemployment and underemployment, and out-migration of both manufacturing firms and of younger, skilled technicians.

In 1984 at the urging of a state senator, John Oliver, from the region, the Northern Tier Economic Development Project was initiated as a three-year regional approach to the area's economic revitalization. The project was funded by the state's Executive Office of Communities and Development (EOCD). A strategic analysis of the region was undertaken, and based on that analysis, program initiatives were developed that focused on furniture manufacturers, metalworking companies, and the food industry. The guiding principle in these initiatives has been to make a long-term impact by strengthening the region's infrastructure and by linking local businesses and organizations with state and university departments. Initiatives have included:

- Organization of a Furniture Manufacturers Association. A management training program using faculty from the University's School of Management and the Department of Industrial Engineering was also organized. Supervisors and managers from seven businesses participated.
- Feasibility for an industrial park for wood manufacturing/furniture industries. The park might include one anchor manufacturer, several smaller manufacturers, and a facility for shared training, design, and use of different technologies.
- Initiation of a pilot project to provide engineering and technological assistance to small and medium-sized metalworking companies. Faculty and graduate students from the Department of Mechanical Engineering are involved.
- Implementation of a community college program to teach basic math and blueprint reading to 20-30 employees from six metalworking companies.

"We're in the stage of defining some short-term, manageable projects to work on with these folks. An example was assisting a farmer get a natural eggnog formula from the university's food science department."

"Some of the specialty food producers and processors are looking for fresh fruits and vegetables that area farmers are producing. This association will provide a mechanism for the farmers and processors to mutually benefit."

"You almost have to have the skills of a community organizer, without the confrontation element. You need to be extraordinarily patient. And you have to do quite a bit of homework: you don't want to create expectations you can't fulfill."

"Pick projects and activities that are doable, with a blend of those that are short-term and longer-term. Avoid projects and activities that aren't clear, and those that don't involve key business leaders."

"What the project is ultimately trying to do is to strengthen the economic infrastructure of the region. We needed to build new organizations and relationships between industries, higher education, business organizations, and state government so that when the project ends, these new structures will be able to continue the work that we've started."

- Establishment of a food industry association. The Association will broker technical, engineering, marketing, and business assistance for member specialty food producers and processors. The Association will also assist in plans for an agricultural industrial park. The park may include storage facilities for area farmers, a freezing or hydrocooling facility, a processing plant, a product testing lab, and a shared kitchen facility. Three university departments have been involved along with two state agencies.
- Development of a new promotional identity for the area. A four-color brochure was produced and distributed to corporate, hotel, and restaurant locations in the Northeast.

TYPE OF ORGANIZATION

The Northern Tier Economic Development Project is a three-year program initiated in 1985. The Executive Office of Communities and Development (EOCD) subcontracted with the University of Massachusetts for a full-time coordinator to run the program from the Cooperative Extension Service.

FUNDING

For the three years of the project, \$300,000 in state funding was secured from the EOCD. Other sources of funds have included Bay State Skills Corporation, Executive Office of Economic Affairs, Massachusetts Government Land Bank, and the Division of Tourism.

BENEFITS

The following are among the primary accomplishments of the project:

- Formation of a Furniture Manufacturers' Association and a Food Industry Association
- Delivery of a training program to supervisors and managers of seven furniture businesses
- Assessment of specialized industrial parks for wood/furniture and agricultural industries
- Engineering and technological assistance to area metalworking companies and an employee training program for six companies

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MICHIGAN

LOCATION OF A MAXIMUM SECURITY PRISON ALGER COUNTY, MICHIGAN

Munising 3,600 (pop.)

Alger Cty. 9,100 (pop.)

TYPE OF SUCCESS

- Established National Guard Armory in 1987
- Future site of \$44 million maximum security prison with \$10 million annual payroll
- Developed grass-roots involvement and support in bidding for prison

DESCRIPTION

"Build volunteer groups that will brainstorm new ideas with you. There are no boundaries to limit ideas; do not restrict input to conventional areas of employment. There may be many more ideas that fail than succeed, but occasionally there is a victory and that victory will be because of ideas that came from the people. Give them credit, and the ideas will flow in combined with community enthusiasm."

"You are in competition with other counties in your state, with other states in the country, and with other countries in the world. Don't let this overwhelm you. Just be better than the competition. This can be accomplished by being creative."

Unemployment in Alger County for the past decade had been in double digits, and for the past five years it has averaged 14 percent. The area, like most of Michigan's Upper Peninsula, has been overly dependent on tourism and timber, both highly seasonal industries.

The Economic Development Corporation (EDC) of Alger County decided to consider strategies to diversify, and during one brainstorming session a member mentioned the state was going to put up some maximum security prisons, and why not try for one? The prison looked like an industry that could provide good paying jobs year-round and would be somewhat insulated from recession.

From the discussion, the EDC took the idea to the city, county, and township governments and got their approval. Information was obtained from the State Department of Corrections on the competition. Once there appeared to be at least a chance, the director of the EDC visited other communities that had prisons and taped interviews with motel owners, Chambers of Commerce, and local officials about the impact of having a prison in the community. At a public hearing in Alger County, these tapes were played, and negative perceptions about a prison location were dealt with by presenting factual information to address the concerns of the general public. Once the proposal was prepared, the local officials worked with state legislators and, in fact, hired a lobbyist to work with them at the state level. The competition was very stiff, but several points in their preparation assisted them, including a proposed innovative concept for work programs for inmates.

"Those of us in economic development don't have all the answers. What we need to know is where to get the answers. Talk to your state Department of Commerce, and learn who the experts are in specific fields. We in economic development are general practitioners."

"Do not wait for your economy to develop. Go out and make it happen."

The result of this effort was that a maximum security prison will be built in Alger County in the next two years, and it will bring a \$10 million annual payroll into the community. There will be 250-290 jobs "inside" the prison and another 200+ support jobs created on the outside. Steps are being taken to prepare the community and to take advantage of as much of the economic impact as possible. Training for correction employees is going on now so that the local labor force will be prepared. (A prison employee must have 15 hours of college credit in corrections courses.) The county is also working with Michigan State and others to develop work programs for inmates. One of these is exploring the potential for producing food for the prison from "suckers," a type of trash fish found in the Great Lakes. This product can be produced cheaply compared to importing ocean fish, and by-products can be converted into fish food for hatcheries.

The all-out effort and the continuing work, once the decision had been made, have brought very positive publicity for the community.

TYPE OF ORGANIZATION

The Alger County EDC is a nonprofit corporation with a volunteer board of directors. A full-time director provides the staffing and works with local officials.

FUNDING

Funding for the EDC comes from the Private Industry Council, from county, city, and township budgets, plus donations from private enterprise. The budget in 1987-1988 was approximately \$30,000.

BENEFITS

- Estimated 500 new jobs, about 350-375 of these going to local residents
- 100-115 new households headed by professionals

CONTACT

Jack Krueger
131 1/2 South Cedar Street
Manistique, Michigan 49854
906-387-2528

Mr. Krueger was the director of the EDC in Alger County when the prison location was secured. He has since been hired by Schoolcraft County as its ED director; he remains as a consultant to the prison project in Alger County until the completion of the project.

MICHIGAN

BUILDING A \$900,000 REVOLVING LOAN FUND FOR SMALL BUSINESS EXPANSION AND DEVELOPMENT BARAGA, MICHIGAN

Baraga 1,055 (pop.)

Baraga Cty. 8,484 (pop.)

TYPE OF SUCCESS

- Retention of an area sawmill
- Creation of a new small business and a motel, employing about 48 persons
- Successful competition for a prison to provide 250 jobs

DESCRIPTION

"When the sawmill burned down, that really hurt. Our unemployment by then was in the 20 percent bracket."

"We didn't want to take something away from another town, but when it looked like the mill would move out of the county, we personally invited them to come to Baraga. When we got the sawmill, it proved we could do things--it was a key."

"If you're going to help start new businesses, you have to pick the right people. Some people can't put a business together, and you have to be aware of that. But some can...and what they need is financial backing. You can find that for them if they have the determination to stick it out. We have developed the contacts we need to know where to go to get help."

"We had the opportunity to get low-interest money if everyone would agree on doing a large enough motel project to provide full tourist facilities and generate more jobs. We put it all together, but it took almost two years."

The Village of Baraga in Baraga County is located on the northwestern part of Michigan's Upper Peninsula (UP) on Lake Superior. Historically, the economy of the area has been dependent on a few major employers. Pettibone Michigan Corporation, a manufacturer of heavy construction equipment, and its subcontractors employed close to 500 persons. But when the economy began to slow in the early 1980s, employment started dropping off at Pettibone.

The catalyst for economic diversification actually occurred in 1984 when a sawmill in a neighboring town burned down. The president of the Baraga Village Council focused on the sawmill because the company wanted to rebuild and expand but couldn't get adequate water at the neighboring town. The village purchased 40 acres to expand their industrial park, obtained a Small Cities CDBG for \$295,000 to prepare the site, and successfully resettled the sawmill in Baraga.

At about the same time, two local individuals with extensive experience with Pettibone approached the village about starting their own heavy equipment dealership. It took two years, but the village again was able to secure a Small Cities CDBG for \$300,000, plus local financing for \$200,000. Baraga Products Inc. was started in 1984.

In 1987 the Village received a third Small Cities CDBG for \$300,000 and a \$300,000 UDAG grant for a motel project. Private investment will bring the total to \$1.5 million and will result in a full-service motel near Lake Superior, an important asset for tourism development in the area.

About this time the village president and the local county extension agent put together an informal organization, Baraga County Area Development Committee (ADC). Through the ADC, the county was successful in its competition with 13 other counties in the UP for

"It's essential to have a well-established industrial park, with all utilities available now and also adequate to support future expansion. Also, have arrangements for purchase of additional property if needed for expansion."

"Work closely with all units of government--state, county, township--on plans for future development. Have a very competent administrator for grant funds, since reports must be submitted in a timely manner."

"We wanted the prison because it is recession-proof and provides pretty good jobs with good benefits."

"We used a local engineering firm that is experienced with grants to help us prepare our applications. In several instances we got preliminary rejections, but you can't accept rejection, you just have to work a little harder and do whatever is asked for. And to be successful, you have to be diplomatic. Sometimes you get some pretty heavy roadblocks--you've got to take it gracefully and keep on going."

"I think one of the reasons we get along so well with the Commerce people is because we are volunteers. They know it and appreciate the fact that we're putting our effort into it on a volunteer basis."

"A goal for the future will be to keep improving the forest industry countywide."

selection as the site for a new maximum security 450-bed prison, expected to open in fall 1989. An innovative idea to economize with wood heating and to provide a market for waste wood may have helped in the decision. The prison will provide about 700 construction jobs and 250 permanent jobs.

The ADC has continued to work with industries in the county needing assistance. The ADC is currently planning to attract a paper mill to the area. The county offers the largest supply of hardwood pulp for a paper mill in the world, within a 150-mile radius and close to water.

TYPE OF ORGANIZATION

The Baraga County Area Development Committee has seven active members and meets once a month to discuss projects for local businesses needing help or leads for outside companies. The ADC is a volunteer group, with members asked to serve by the existing membership.

FUNDING

No one is paid on the ADC, but the townships, the village, and the county have met the limited expenses (under \$5000/year) incurred thus far. Since 1984 the Village of Baraga has received three Small Cities CDBGs totaling about \$900,000 and one UDAG grant for \$300,000. The CDBGs will eventually be the base for a \$900,000 revolving loan fund for the village, and Baraga Township will have \$100,000 in revolving loan funds.

BENEFITS

Since 1984:

- Over 100 jobs retained at the sawmill
- 20 jobs created at Baraga Products Inc. and annual sales of about \$5 million
- 28 jobs created at the motel
- 250 permanent jobs associated with the new prison

Since 1985 the village has won two Community of Economic Excellence awards given by the Michigan Department of Commerce in annual competitions.

CONTACT

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MICHIGAN

REDEVELOPMENT OF A FORMER AIR FORCE BASE CHIPPewa COUNTY, MICHIGAN

Kinross Township 1,891 (pop.)

Chippewa Cty. 30,000 (pop.)

TYPE OF SUCCESS

- Successfully redeveloped a former Air Force base into a commercial airport and industrial park
- Generated new revenue sources for local communities
- Reduced the high unemployment rate, from 30-35 percent to 9.7 percent, through creation of over 1200 public and private sector jobs

DESCRIPTION

"County officials risked their political futures on an effort that would not show results for several years. They took a courageous approach."

"The effort must be a local initiative, and in that initiative there has to be a role for an 'entrepreneurial' developer."

"Marketing an industrial facility in a northern rural area presents a unique challenge. In order to be competitive in reaching site selectors, the EDC developed a series of incentives."

Chippewa County is located in Michigan's Upper Peninsula, a northern rural area. Sault Sainte Marie has half the population of the county, with the other half scattered through towns and rural areas. The county had lost over 2000 jobs in the eight-year period prior to the closing of Kincheloe Air Force Base in 1977. When the base was closed, the economic focal point for over 25 years was lost: a \$40 million payroll in a county of 30,000 people. Unemployment was approaching 40 percent when the Department of Defense agreed to turn the base over to local control at no cost.

The local business and industry leadership, along with county officials, responded to this challenge. Chippewa County established the Economic Development Corporation (EDC) six months prior to the closing of the base, and this organization became the marketing agent for the 1850-acre air and industrial park area of the 4221-acre site. A plan was drafted that included three specific goals: (1) turn the facility into a commercial airport, (2) develop an industrial park on the site, and (3) provide for institutional use at the site. Currently 1.2 million square feet are in use with another 600,000 to be put into use in the next several years. Careful targeting of industries for location in the vacant facilities has resulted in the location of 40 industrial and commercial operations. Yet, losses had been so severe that it was three to four years from the initial effort before any tangible results were visible.

The Michigan Department of Corrections broke ground in May 1987 for construction of a second correctional facility to be located at the former base. The new facility will consist of a total square footage of 390,000 square feet: 120,000 square feet for immediate temporary housing and 270,000 square feet for a regional

"Government, business, and labor must form a working partnership to include representatives of financial institutions, educators, and the news media, as required."

"It is important to have a clear definition between the policy responsibility of the political unit and the management responsibilities of the staff."

"It takes money to sell to the private sector. For example, when you're trying to attract a new business, you have to be willing to travel--to go out there and sit in the office of the one who will make the decision."

"One-stop shopping is very important; there must be ONE agency with ONE person who is in charge. If you fragment the effort, it doesn't work."

correctional facility to be completed in mid-1989. The EDC still hopes to convert a facility that formerly stored hydrogen weapons into a munitions plant, and to target operations that will match the community resources.

TYPE OF ORGANIZATION

The Chippewa County EDC is a private nonprofit corporation established by the Chippewa County Board in April 1977. Board members represent business, labor, and education. The EDC operates under Michigan State authority. A nine-member board of directors is designated as the policy-making body with a full-time staff of five carrying out the management of the organization. The board of directors provides an oversight role and establishes the goals with the management working to obtain those goals.

FUNDING

Initially a wide range of federal, state, and local resources was combined to fund the effort. The goal was to make the operation self-sustaining within five years, and this goal has been met. The funding now comes from lease revenues, from interest income obtained from the revolving loan fund, and from contracts for services.

BENEFITS

- Jobs created: 1653 (overall Chippewa County EDC activities)
- Jobs retained: 450
- The local township in which the industrial park is located receives property taxes that were not present when the military base was operating. Water and sewer fees are collected on a monthly basis, and public utilities benefit from the conversion to civilian use
- Expansion of the economic base from one focus

CONTACT

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MICHIGAN

COMPREHENSIVE DEVELOPMENT PLANNING LITCHFIELD, MICHIGAN

Litchfield 1,027 (pop.)
Hillsdale Cty. 42,071 (pop.)

TYPE OF SUCCESS

- Successful private industry and city government cooperative effort with continued support and leadership from private industry over the past two years
- Developed a 113-acre industrial park which grew from a concept developed as part of a 25-year plan laid out in the 1960s
- Met all of the targets of the strategic plan
- \$10 million investment in the park and created 600 jobs in the past three years

DESCRIPTION

"Our community was fortunate in having an industry (Simpson Industries) that really came forward to help financially and with vision. How many towns our size have followed a strategic plan? Simpson Industries took a major role in hiring the consultant who worked with the city planning commission to do that plan."

"Take advantage of opposition to projects to educate the public. It's a constant process. Educate the local community as to what will occur. State the facts. The local residents have to be willing to accept and support change. You have to keep building trust."

"Your own community should be your first audience. Sell your community on its value first. Local folks have to feel good about the town. When you have a prospect in town, you will never convince that person to stay, locate, and build unless the flavor of the town comes through to them from the local residents."

Litchfield has all the characteristics of a small town. It has not followed the path of similar areas in a number of respects, however. In the mid-1960s local industrialists provided the leadership in developing a strategic plan for the town. All of the town's planned targets have been met, including: (1) develop recreational facilities (the city now has the only municipal swimming pool in the county), (2) establish an industrial park (there is now a very successful 113-acre park), and (3) operate its own waste system (there are plans to build a \$5.5 million combination solid waste incinerator and hydroponics greenhouse in the city's industrial park). Several goals touched on government, such as changing the status of the village to that of a city and instituting a city manager form of government (both of which have occurred).

These changes did not happen without debate and some open controversy. The key to change was an open, interactive role among the city officials, industrial leaders, and the community residents.

Like many Michigan towns, the community was in economic stress several years ago when two industries left town, taking 400 jobs with them. An aggressive city government, with a history of good teamwork among business, industry, and community leadership, turned the loss around. In particular, one local firm, Simpson Industries, responded in 1979 by donating 113 acres to the city to be used for the industrial park. The land was adjacent to an existing industrial district that already included Simpson and several other light industries. Subsequently, the city received an EDA grant in 1984 which was used to provide roads and utilities to the park. Since 1984, over 600 jobs and \$10 million in investments have resulted.

"Get a nucleus of people who will stand by their convictions. Little towns have a way of fostering this."

"Develop excellent relationships with your state department of commerce and as many of its key people as possible. Also build relationships with your county economic development group, with your state and national legislators, and with the media."

"A good public relations person (in this case our city manager) was crucial to Litchfield's success."

"A key to success is to have a 'work together' strategy wherein townspeople, business leaders, and government officials work as a team for the whole and not for personal glory and gain. For example, Simpson Industries has often provided challenge grants to the community which have been met with other private donations and public funds. The industrial park is on Simpson-donated land, developed by an EDA grant."

"Be willing to change with the times."

Current plans include a tax increment financing authority which will be used to bring other improvements to the industrial park, including a projected rail spur.

The city has been repeatedly certified as a Community of Economic Excellence, an award which honors local support, economic development activities, and cooperation for growth.

TYPE OF ORGANIZATION

The driving force for development is through the city government, with its willingness to draw on local business and industrial leaders, work with other agencies, and put people in touch with resources that can meet their needs. The mayor, city manager, and other city officials take an active role. There is broad involvement by a number of the residents in the community. The Hillsdale County Industrial Development Commission on the county level has a very close working relationship with city officials.

FUNDING

The Commission is a private, nonprofit group supported by membership and service revenues (e.g., for seminars and workshops). Major economic development funds have included:

- \$378,000 EDA grant (one use was to establish a revolving loan fund for industrial development)
- \$35,000 CDBG with an additional \$17,000 coming from the same source

BENEFITS

- A well-developed strategic plan that has been a guide for the city for 25 years
- Strong local government leadership, business/industry involvement, a community participation
- Over 600 new jobs in three new industries and \$10 million in new investments

CONTACT

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MICHIGAN

RECOVERY FROM THE LOSS OF A MAJOR EMPLOYER LUCE COUNTY, MICHIGAN

Newberry	2,120 (pop.)
Luce Cty.	6,659 (pop.)

TYPE OF SUCCESS

Developed a Forest Industries Industrial Park

DESCRIPTION

"Economic development had not come to anyone's attention until we began to lose so many jobs. Our unemployment rate at that time reached around 21 percent!"

"When the hospital began gearing down, we had nothing to hold our young people. Now we have brought back a lot of our people, especially younger men who had left the area and who now have come back to work and settle."

"You've got to plan. It doesn't happen without thorough, careful planning. You have to know what you're doing. Without that task force in the beginning, I'm not sure any of this would have come to pass for Luce County. We also benefited from excellent response from our legislators."

"At one point, about \$200,000 into the kiln project, the Inspector General came in and told us we had a white elephant on our hands. EDA agreed to complete it if we could get an operator within 90 days. Talk about being under the gun! If we hadn't found an operator, it might have gone into litigation because an Inspector General's ruling probably would have forced EDA to try to get their money back."

Luce County is a large, sparsely populated, and somewhat isolated county in the Upper Peninsula. The Village of Newberry is the county seat, and for almost 100 years Newberry's economy depended on the Newberry State Hospital. During its peak in the late 1950s, the hospital employed over 1200 people. But in the early 1980s state reorganization forced a decline in employment to less than 400. The county went into a severe economic tailspin.

In 1981, with the assistance of state legislators, the Governor formed a task force to identify resources and strategies to revive the area. The task force identified forest industries as the No. 1 resource and recommended the formation of a local economic development organization. The local Board of County Commissioners responded, and the Luce County Economic Development Corporation (EDC) was formed.

With great effort from the state and the EDC, Louisiana Pacific Corporation selected Newberry for construction of a \$20 million plant in 1985. The county set aside acreage for an industrial park, and as part of the inducement, the county gave 120 acres to the company. Grants from UDAG (\$1.35 million) and CDBG (\$750,000) were also received and used to finance low-interest loans. The payments for these loans are coming back to the township and Luce County over a five-year period and are going into a locally controlled revolving loan program.

In an effort to expand the Forest Industries Park, perhaps with a small furniture company or dimension plant, the EDC next focused on getting a locally operated dry kiln. The Regional Planning Commission applied for and was awarded an EDA grant to construct a kiln. This grant was for \$557,600, with a local match of \$194,400, which came from repaid CDBG and UDAG funds from Louisiana Pacific. The kiln was completed in 1986, and the EDC located a leasee, Murphy Creek Forest Products Inc. This company became the EDC's first revolving loan fund recipient. The company leases the kiln and services the 20 to 30 small mills in the area that had been

"We are contacting Louisiana Pacific's customers and suppliers. We hope to entice a small business in by offering inexpensive loans from the revolving loan program."

"We try to encourage all our revolving loan clients to seriously consider hiring JTPA-eligible young people."

"On our staff is a small business advocate who serves a tri-county area. He helps develop business plans, helps businesses apply for revolving loan funds, and helps them package their application to whatever avenues are open to them."

"Currently an engineering firm is drafting a master plan for our park. Covenants and restrictions that protect it as a Forest Industries Industrial Park will be developed so that we can keep these kinds of industries."

"Luce County never felt the need for any of this until we lost so many jobs from the hospital. The Louisiana Pacific project opened up another whole world for us."

trucking their lumber up to 300 miles to get it dried. The company also established a sawmill and a planing mill in the park. The park currently employs 23 people.

In addition to industrial park development, the EDC has a tourism program. About \$100,000 have been received from grants (primarily from the Michigan Department of Commerce and the Department of Natural Resources) for a logging museum on 29 acres on the Tahquamenon River. Also, Tahquamenon Falls, located in Luce County, are the largest falls east of the Mississippi except for Niagara. The falls attract over 500,000 visitors annually, and the EDC hopes to utilize the tourism potential of this natural resource more in the future.

TYPE OF ORGANIZATION

The EDC was formed in 1978 but was not fully staffed until 1982. The EDC has a governing board of nine members. The public sector is represented by two from Newberry Township and two from Luce County. The private sector members are appointed by the board of commissioners.

FUNDING

The annual budget for the EDC is about \$100,000, funded from paybacks from the UDAG and CDBG loans. In addition, Luce County has stumpage legislation, which allows for the proceeds of timber sales from state-owned lands to be returned to the EDC for development of Luce County. These sales generate approximately \$10,000 annually.

The incentives package to attract Louisiana Pacific included over \$2 million in UDAG and CDBG low-interest loans, a 12-year tax reduction at 50 percent valued at approximately \$2 million. There was also a \$10 million revenue bond issued by the state. Preparation of the UDAG and CDBG grant applications by a consulting firm cost about \$55,000.

BENEFITS

Louisiana Pacific:

- 150 new jobs created in the plant
- 80 new jobs created in the woods
- Annual tax revenues of \$210,000

CONTACT

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Luce County Economic Development Corporation
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MINNESOTA

INDUSTRIAL DEVELOPMENT THROUGH VOLUNTEER EFFORT BABBITT, MINNESOTA

Babbitt 2,435 (pop.)
St. Louis Cty. 222,229 (pop.)

TYPE OF SUCCESS

- Initiated and implemented a revolving loan fund that provides high-risk loans to small businesses at 4.5 percent interest
- Designated a STAR CITY by the Minnesota Department of Economic Development
- Provided high-visibility leadership through the mayor and an all-volunteer effort

DESCRIPTION

"Until 1982 we had really done nothing to promote development. We had good jobs and a good life, and unfortunately we did not see any need to diversify our employment base. We did not particularly want anyone else to locate in our town. The mining company had been good to the town and its employees. We learned a bitter lesson."

"Each town is rather unique in what it can do and is willing to do. If you don't do something yourself, though, no one else (the county, state, other groups) will be very willing to work with you."

"If you told me you were a prospect right now, I'd be in your town tomorrow. I'd bring a slide show, brochures, and we would make every effort to get you to locate in our town."

Babbitt was dealt a devastating blow by the shutdown of iron mining in northeast Minnesota. The town had been dependent on this industry with 85 percent of those employed working in that sector. When the company closed in 1982, 1200 people were out of work. School enrollment dropped from 1600 to 600. Two schools closed in Babbitt, and a neighboring township, Embarrass, lost its only school. Vacant houses became a common sight. The shock waves produced by the high unemployment brought a pervasive depression in the community.

In response, the mayor formed a task force which then formed the Babbitt-Embarrass Area Development Association (BEADA). Information gathering, data collection, planning, and initial contact work were undertaken with zeal. Babbitt was designated a STAR CITY by the Minnesota Department of Economic Development for completing a planning process (that usually takes from 1 1/2 to 3 years) in 4 1/2 months. As part of the preparation a slide show was assembled, a fact book was compiled, brochures were designed and printed, a building inventory was taken, and a comprehensive plan for development was drafted.

BEADA began to raise money through memberships in the organization at \$25 per person. The response was gratifying, and \$17,000 was raised from memberships and contributions. An economic development fund was started, and \$6000 was allocated to a revolving loan fund. Through successful application to several foundations, this initial amount was raised to \$55,000.

The results of efforts undertaken by this group of volunteers are impressive. In four years 23 loans have been made to local businesses in small amounts from \$500 to \$10,000. These high-risk, low-interest loans are made to local businesspeople who cannot obtain conventional loans. The town was also designated an enterprise zone.

"You have to be willing to use unusual means to accomplish your goals. Other levels of government may have the answer. We got special legislation passed to assist in one location. Our elected officials work with us because they know we have made our own effort first."

"When we had a company locate that had a break-even point of selling a certain amount each year, we went out and found a company that might be able to use the product. That company is now in our town, and both companies are growing. We linked up a supplier with a user."

"We provided a loan to a small company that manufactures pool tables which hired a business manager and began to expand. This company now has \$1.3 million in orders and is exporting to Japan."

"We have a long way to go. Our unemployment is still very high. If we can provide employment, people who have left to find work will probably come back. Many of them still own their own homes here."

One new company, Tirecycle, located in Babbitt through a series of steps that demonstrate the community's commitment. The company had selected a town in an adjacent county for location. When the county board declined to make certain concessions, the mayor called the company and invited it to consider Babbitt. BEADA and the city worked to obtain a major financial incentives package of \$2.6 million to assist the company. The city also got a special law passed in the state legislature permitting the town to make a \$.5 million loan from carry-over tax revenues (which had accrued when the mine was fully operational). The company has since paid the loan back in full with interest and has generated 21 new jobs. There is good potential for secondary businesses to form because of the location of this tire recycling plant.

TYPE OF ORGANIZATION

BEADA is the official economic development arm of the city council. It is a volunteer effort with a 12-member board. The mayor provides strong leadership and acts as the primary contact in many instances.

FUNDING

- \$17,000 from membership fees and contributions.
- Additional funding from foundations supported the initiation of the revolving loan fund. The association allocated \$6000, and the foundation grants brought the total to \$55,000.
- The Tirecycle financial package included \$.5 million from the state's Waste Management Board, \$.5 million from the U.S. Department of Energy, \$.4 million from the Minnesota Iron Range Resources and Rehabilitation Board, \$1.2 million from a local bank, and a \$.5 million loan from the city.

BENEFITS

- 55 jobs created through new and expanded businesses
- \$37,000 in additional tax revenue for the city
- Renewed confidence in the community's ability to provide opportunities for its residents in the future

CONTACT

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MISSISSIPPI

EFFECTIVE LEADERSHIP BY A RURAL ELECTRIC COOPERATIVE FOUR-COUNTY REGION, MISSISSIPPI

Noxubee Cty. 13,212 (pop.)
4-Cty. Region 140,277 (pop.)

TYPE OF SUCCESS

- Developed and implemented a successful rural job creation and community development program
- A regional development effort through a federation of counties and organizations

DESCRIPTION

"The Power Association was honest about its own interest. Increased sales were the bottom line for them. Of course, providing jobs for those in the communities is important. Getting companies in that will use power is one way of providing those jobs...and every-one benefits."

"The first thing that should occur is to answer the question, 'Do you want economic development in your area?' Then look at what your basic strengths are, what the area potentially could offer, what it will take to put some things in place. It's the old formula for development. You just need to do it. It's just something you have to go through. Some areas may grow without planning and hard work, but most grow by a deliberate process."

"A lot of credit goes to the power company manager because of his ability to bring various groups together. He was new to the area, and as an outsider he had a more objective view. He believed a coordinated effort would work. A lot of us locally didn't believe it would happen."

The 4-County Electric Power Association area of Noxubee, Choctaw, Lowndes, Oktibbeha, and Clay, along with parts of Monroe, Webster, and Chickasaw Counties, is a study in contrast. There are some highly industrialized areas in the midst of large rural areas of high unemployment.

In an effort to try to stimulate and coordinate economic development, the Association called an initial meeting in 1983 for various public and private sector officials in the region. As a result of that meeting a steering committee formed. This committee was instrumental in passing state legislation creating an Economic Development Authority for Noxubee County, which had been selected as the pilot county. At the time Noxubee County was disjointed in its development effort with little or no cooperation among the several small towns and the county.

From the outset, the Tennessee Valley Authority (TVA) was involved and provided seed money. Local people were also asked for funds, and the Noxubee County effort began with a \$12,000-\$15,000 budget and an 11-member board.

In 1986 this approach moved to a more regional effort. After a three-year formation period the Golden Triangle Economic Development Federation emerged. The Federation serves the four-county area and some small parts of other counties. It provides resource analysis for the various local development efforts in the four counties and coordinates the area so that the area takes on the attributes of a large metropolitan area in promotion and marketing. The Federation provides guidance for large projects as well.

The universities in the area, Mississippi State University, Mississippi University for Women, and East Mississippi Junior College Golden Triangle Campus, are partners in this process, and their full resources are available to the Federation. Committees deal with regional marketing, technology transfer, existing industry

"There was a lot of skepticism initially and an attitude of 'we've already tried to get companies and this is not going to work....' We just moved ahead with those who were willing to try again."

"Someone in some organization has to be willing to step forward and act as a catalyst to bring together community and county leaders in order to determine whether there is a sincere interest in economic development. Then once a strategy is developed, someone needs to act as the official encourager to keep things moving along."

"We have a real challenge in developing a literacy program. Noxubee County has an illiteracy rate that is about 42 percent."

"Several years ago, an article about Noxubee County came out in which the county was used as an example of the opposite end of economic development dreams or possibilities to Hilton Head, South Carolina. We are trying to do something about that."

"Noxubee County has not blossomed like a desert rose at this point, but a lot of good things have happened. The real success in Noxubee thus far is more in the dramatic and enthusiastic response of its people."

programs, natural resource development, leadership development, and education. The Federation reports and plans on a quarterly basis primarily through a public meeting that brings together all of the local groups.

One by-product of this regional approach has been increased interest in development by local areas. Another has been that this region, through a task force formed specifically for that purpose, became the Mississippi site for the superconducting super collider location effort of the state.

As a result of the success of this regional concept, TVA is using a similar development strategy in other areas. The Golden Triangle experience is also being used as a national model by the National Rural Electric Cooperative Association.

TYPE OF ORGANIZATION

The Federation has a steering committee composed of the executive director of North Mississippi Industrial Development Association, a Tennessee Valley Authority official, and the manager of economic development for 4-County. The 4-County general manager serves as unofficial chairman. There is an executive committee represented by each of the universities and the directors of the economic development organizations and Chambers of Commerce in the area.

FUNDING

The annual budget for the Federation is limited. TVA provided small seed money, and contributions from local groups brought the amount to initiate the Noxubee County effort to \$12K-\$15K. Four-County provides considerable in-kind contributions to give the effort continuity.

BENEFITS

- Areawide approach for marketing and promotion
- Local resources are more effectively used, and the area can offer some attributes of a large metro area
- Estimated 200-300 new jobs in Noxubee County in the past three years

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MISSOURI

CREATION OF INDUSTRIAL JOBS TO BRING A TOWN BACK TO LIFE CUBA, MISSOURI

Cuba	2,120 (pop.)
Crawford Cty.	18,300 (pop.)

TYPE OF SUCCESS

- Fifteen new manufacturing companies in the past two years that provide 850 jobs
- Involved businesspersons to plan and manage development
- Established a \$1.2 million program to assist in development from an initial grant of \$700 from the city

DESCRIPTION

"The City of Cuba was caught like a lot of other small towns, dependent on one or two industries. With the loss of the major employers, we had a rapid downward spiral until two out of three people were below the Missouri poverty level."

"None of the board members had any political experience and also did not have a history that told them the situation was next to hopeless. We organized ourselves like a business with a finance department, a marketing department, and so on. We put together a plan that seemed like common sense to use and within a few months were beginning to increase jobs."

"Towns get in trouble sometimes because they have a plan that is not practical. They may have a five-year plan that has worthy goals, but the odds of a small town working through all of that is very remote. If you put ten items on a piece of paper, and one of them is plant a tree at the end of Main Street and you do it, you have accomplished something. Then you go on to the next thing on the list."

A severe loss of employment through the decline in shoe manufacturing and mining caused the local Industrial Development Corporation (IDC) in Cuba to restructure. In September 1984 a new board was formed. One of the prerequisites was that people having previous political experience were not placed on the board.

Spearheaded by businesspersons who had no formal development expertise, the new board adopted a "Cuba Plan" approach to economic development based on their own knowledge of how to bring jobs into the community. Using the securing of enterprise zone designation as a rallying point, the board began to marshal support for the Cuba Plan. The board obtained \$700 from the local bank, which was used to publish brochures on the plan. The board involved persons in the community who had never been asked to participate in similar efforts and solidified a working relationship with the mayor and city council.

Since 1984 the board and the city have:

- Spent over \$1.5 million on infrastructure improvements. A majority of these funds came from state block grant awards.
- Used technical assistance to reopen two local businesses that had recently failed. Better business plans, supportive financing, consulting support, and ongoing oversight permitted the rebirth of these local companies.
- Attracted 14 new manufacturing firms to Cuba.
- Begun an innovative program to upgrade employee skills, a program paid for by the employer to provide college course work.

"If you can put the state in the position where they can help, they are dynamite. I look upon the state as a staff of extremely well-qualified people who are there to assist us. You go to them with specific things, and they respond with specific help."

"We really make sure that we get people involved who have not been active before. We give them the ultimate chance to succeed or fail, and you'd be amazed at what happens. There are tremendous resources in small towns, but sometimes no one taps them."

"Getting local businesses to expand is the hardest way to increase jobs. You have to create a new environment. It is difficult for local people in business to believe that local government and other agencies are sincere. Local business and industry leaders are often loners, and they don't get too enthralled with government programs. You have to convince them there is help and to take advantage of it."

"Seeing people in our community take on the posture of resignation was the turning point for some of us. We could not accept that there was nothing we could do. We really did try to approach every situation in the very best way to help the community. A lot of people got caught up in the excitement of the rebirth of our town."

"Industries demand that you know what you're talking about in terms of financing. There may be 22 different ways to put together a package, and you need to know every one of them."

This most recent program, which provides "amnesty" to any persons who have not graduated from high school, allows attendance at the University of Missouri at Rolla. Every enrollee is considered a freshman, no matter what their previous educational background. Of the 100 persons who entered the program the first year, 65 completed their course work.

Keys to the success of the IDC's efforts, which have brought unemployment down to 5 percent in just over three years, are (1) a simple, specific plan with a list of items to be accomplished in a year's time; (2) constant interaction with city government; (3) commitment of the banks with attractive interest rates and in-depth knowledge of financing alternatives that can be used for loans and incentives; and (4) cooperation of the media in a responsive, informative effort.

Also of note is that the development effort is designed to maintain the rural character of the area. Jobs are created with an eye to maintaining short commuting distances, and residents can remain in their homes whether in town or in the countryside.

TYPE OF ORGANIZATION

The Cuba Industrial Development Corporation is separate from the city but reports directly to the city council and mayor. Funding comes primarily through the city; the annual budget is about \$55,000. Repayment of loans and payments on other financing also add some funds.

FUNDING

Funding now approximates \$1.2 million that can be tapped for various development efforts.

BENEFITS

Since 1984:

- 850 jobs created and 400 jobs retained
- Increase in income of 30 percent
- Increase in sales of 19 percent
- Public tax revenue increased by 30 percent
- Reduction of unemployment to 5 percent
- Recovery of retail sector

CONTACT

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MISSOURI

TAKING AN AGGRESSIVE APPROACH TO BUSINESS DEVELOPMENT MACON COUNTY, MISSOURI

Macon 5,680 (pop.)

Macon Cty. 16,313 (pop.)

TYPE OF SUCCESS

- Became a growth leader in rural Missouri, with over a 50 percent increase in employment in the past five years
- Utilized an enterprise zone, a revolving loan, and state grants to help a few large industrial and many small businesses expand

DESCRIPTION

"The newspaper took a strong position on the need for a unified economic development approach. The new mayor was anxious to get something started. A progressive and aggressive county judge was also a key player."

"The first thing we did was to really get educated on the state programs, then come back and try to apply them. Before, when we had a volunteer group--hell, we never had time to do that--we had other jobs!"

"With the \$1 million UDAG, we started the first city revolving loan fund in the state. For the seed capital, we're using the UDAG and the CDBG repayments. We're fighting to keep it in pure economic development projects. I'm hoping we don't ever have to use it for infrastructure--that would soak it right up and we'd never get our money back. When it's paid back over a 10-year period, it will be \$1.4 million. At this point we're trying to use it as incentive money to attract other industry, by writing down their interest costs. If it's taken care of, these funds will provide the economic backbone for this community in the future."

In the early 1980s, Macon community leaders began to get concerned. Macon's employment base had eroded for three straight years, and the unemployment rate was quite high. The resultant exodus of people, combined with growing problems surrounding the farm economy, forced property values and the local tax base to drop. Concerned community leaders gathered to discuss the problem and decided to do something about it.

The decision was made to form a public-private partnership: the city, the county, two other communities, and the Macon Area Chamber of Commerce created the Macon County Economic Development Corporation (EDC). Never before had city and county officials worked so closely together to ensure a successful project using city, county, and private funds. In the past, similar efforts had failed because of perceived insurmountable differences; this time, however, the sense of urgency and air of determination were strong enough to overcome these differences.

An executive director was hired and an aggressive business policy adopted with an emphasis on job creation and retention.

The first attempts were to strengthen the retail sector. A Wal-Mart store was brought in, using updated demographics and noncontroversial financing. It now does \$6 million worth of business locally.

The director next went to Jefferson City to get better informed on available state programs and grants. Armed with this new knowledge, Macon became the first city to form an enterprise zone in the State of Missouri, the first to receive a Department of Natural Resources business grant, and the first to develop a city-run revolving loan fund program.

"We court our small businesses. For example, I'll go over the tax rolls and ask, 'Who owns this old building?' (or gas station or whatever). Then I'll tell the owner about the enterprise zone benefits and say, 'Hey, why don't you open a convenience store there like you've got in the town next door?' And he'll come in and do it."

"Once you get the momentum, you do a lot of promoting to your own people and just build on it. Everytime you get a success, you get an article in the paper, then send that article to the next franchise dealer you're trying to promote."

"We just had an article in the paper the other day about Southview Foods, a meat packer, crediting the EDC with keeping the plant in town with the DNR economic development grant they got for over \$1 million for pretreatment. They've turned the corner now and are going to add 25-30 jobs."

"Despite our successes, we still have a big problem. Locally, people still don't understand why we've been successful, and they're still looking for smokestacks. They don't see a new motel or a convenience store as economic development. In some people's minds, economic development is industrial development and nothing else counts."

Two Department of Natural Resources grants were used to assist two local industries construct pretreatment facilities, which freed up Macon's wastewater treatment capacity from 100 percent capacity to 60 percent capacity. CDBG grants were also used to put in all roads, utilities, etc., in the industrial park.

On other fronts, about 65 small businesses have been added in the last two years. Important expansions at Toastmaster Inc. and Banquet Foods added 375 new jobs. An "Around-the-Square" association was formed by retailers to promote the downtown area.

TYPE OF ORGANIZATION

The EDC is a not-for-profit corporation with a board composed of representatives from all the funding groups--the City of Elmer, County of Macon, and the Macon Chamber of Commerce.

FUNDING

The EDC budget (currently \$44,000) comes from four sources. The major city, Macon, contributes \$4.50/person (\$26,000); the county puts in \$10,000; the Chamber contributes \$1/person (\$5680); and the town of Elmer puts in \$1/person as well. There is one board member from each contributing group, plus an extra from the City of Macon.

Over \$4 million in grants have been received from UDAG, CDBG, and the Missouri Department of Natural Resources.

BENEFITS

Since 1982:

- Employment is up 58 percent.
- Sales of \$6 million from Wal-Mart alone; total sales in the county have increased by \$8 million.
- Macon is the only county in north Missouri to have a population increase between 1977 and 1982.
- Sixty-five small businesses have been added.
- Over 400 industrial jobs have been added and 180 retained, including Toastmaster, the largest employer (250 jobs), and Banquet Foods (125 jobs).

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NEBRASKA

COORDINATION OF EFFORT TO DEVELOP A WHEAT PROCESSING PLANT CHEYENNE COUNTY, NEBRASKA

Sidney 6,010 (pop.)

Cheyenne Cty. 10,057 (pop.)

TYPE OF SUCCESS

- Formed a High Plains Development Group
- Developed a concept for a wheat processing plant
- Developed serviced industrial sites for plant location

DESCRIPTION

"The community was trying to go in the same direction with five different groups involved in economic development. Some of us thought we needed to combine efforts and have all of us going in the same direction together."

"When we were just beginning to form the coordinating group, we called all the groups together with all their board members. We had dinner meetings, and the chairman of each group would report on their efforts. This way we had the Chamber talking with the city council and the county officials talking with the bankers. We took time to let the process develop."

"People are sometimes reluctant to change the way they are doing things. It takes a while to get a new concept accepted and then more time to get it working."

"We had a well-formulated and well-planned two-year process. We took our plan in writing to all of the groups in the community we could think of for their endorsement. We had a speaker's bureau, and people went out to tell what the High Plains Development Group was all about."

Cheyenne County is a sparsely populated area which, although it has not experienced high unemployment, has begun to feel the effects of the dropping agriculture market. Leadership to meet this challenge came from the president of the Chamber of Commerce of Cheyenne County. In 1982 the Chamber hired a new economic development director and then proceeded to reorganize the county's development structure. Three private groups--Panhandle Growth Inc., which is made up of banks and financial institutions; the Sidney Industrial Corporation; and the Chamber--joined with public officials from the city and the county to form the High Plains Development Group (HPDG). This process took two years.

The HPDG began marketing the area and working with training programs for employers. One major accomplishment has been the in-depth exploration of the concept of developing a wheat processing plant. Currently the funding for the construction of the plant is being arranged. The plant will employ an estimated 90-100 persons.

Another effort of the HPDG has centered on capturing the development potential of land near the I-80 interchange. As a result of a feasibility study financed by HPDG and presented to the Sidney City Council, utilities were extended to this area. The HPDG is now working closely with the developer. Efforts have produced an estimated \$1.7 million in capital investment. Additional investments are anticipated over the next several years.

Through planning and action this agriculturally based county has avoided the collapse of its local economy and is moving into job expansion for the area. Commitment of county and city government to development and strong demonstrated concern for economic growth by business and industry have also created a positive attitude.

"Keys to the success of forming the coordinated approach were the commitment of the leadership, the willingness of local leaders to get involved, and the patience to take the necessary time to allow the ideas to be accepted throughout the community."

"My advice to another area is to employ an experienced professional certified by the American Development Council in industrial and economic development, and give that person the responsibility and the backing he needs."

"It is imperative to maintain positive support for development from the private and public sectors. Be certain community leaders are on the board of directors."

"For example, HPDG contracts on an annual basis to provide development consulting assistance for Forward Kimball Industries, a development corporation representing Kimball County. Kimball County joins Cheyenne County on the western border. They also contract with Cheyenne County Visitors Committee (tourism promotion) and Panhandle Community Services. Other contractual services would be with individual companies outside Cheyenne County to prepare management and marketing plans."

"You also need to provide long-term financing for the operation of the organization--with a three-year guaranteed funding."

HPDG has also brought the resources of the area together to ensure economic growth. For example, recognizing the importance of bringing space education to the Cheyenne County school system, recently business and industries paid the expense to send seven area teachers from three counties to the Space Education Training Center at the Air Force Academy in Colorado Springs. The purpose was to get teachers familiar with space and space technology and to begin teaching space science in area schools.

TYPE OF ORGANIZATION

The High Plains Development Group (HPDG) is not a legal entity. It is made up of representatives from the county Chamber of Commerce, Panhandle Growth Inc. (bankers and financial institutions), and the Sidney Industrial Corporation. The presidents of each of these boards, plus the chairman of the Cheyenne County Commissioners, the mayor of Sidney, and an appointed member from the private sector, make up the executive board of HPDG. The HPDG has four staff members and is recognized as the development group of the area.

FUNDING

An annual budget of about \$129,000 comes from:

- City of Sidney (\$30,000).
- Cheyenne County (\$30,000).
- The Chamber of Commerce of Cheyenne County (\$29,000).
- Contractual services (\$40,000). The High Plains Development Group contracts with a number of agencies and organizations to provide administrative and technical assistance in areas related to economic development.

BENEFITS

- Professional staff to conduct activities
- Coordination of efforts on countywide basis

In 1986:

- 206 net jobs (35 were retained)
- \$1.4 million in additional income
- \$1.7 million in capital investment
- \$48,000 in new property taxes annually

CONTACT

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NEBRASKA

CONCENTRATED AND SUCCESSFUL RECRUITMENT EFFORT WAYNE, NEBRASKA

Wayne	5,300 (pop.)
Wayne Cty.	9,882 (pop.)

TYPE OF SUCCESS

- Located a major manufacturing plant and subsequently located the company headquarters
- Gained broad community involvement and support

DESCRIPTION

"Everyone worked to help make the relocation a reality. The city and our organization work very closely together in any of our prospecting efforts. We realize that the entities do need each other to have a strong, viable industrial base."

"There is always speculation during this type of process when you are trying to bring in a new company. The prospect wants to remain anonymous. But the people were generally supportive, and the money was raised. That's a feat for a community that doesn't know what kind of industry you are bringing in."

"The new company believes in doing as much of its business in the community as possible. It's advantageous to them because of transportation and other costs and, of course, to the community as well."

"A higher education institution in Wayne and the vocational and technical training facility nearby were important assets. The company could offer educational opportunities to employees and has a resource for training personnel."

Wayne, Nebraska, was experiencing a slump in the local economy like many other areas because of the decline in the agriculture economy. Over its 25-year history the local industrial development group, Wayne Industries Inc., had performed traditional business retention and support activities. But when officials learned that a Denver company was considering a new plant location in Nebraska, Wayne Industries Inc. and city officials determined that an all-out effort would be made to convince the company to locate in Wayne.

FORWARD WAYNE was formed to raise money to support the effort. Initially contributors did not even know what type of company was the focus of the effort because of the necessity for confidentiality. Despite this lack of specific information, the community responded because of its trust in the local leadership, and \$62,800 was raised from private contributions.

The city provided some limited tax incentives and also issued an IRB to finance the project. A \$60,000 grant from the State of Nebraska also provided assistance.

Overwhelming support by the community impressed the prospective company's officials. It was a decisive factor in the company's final decision. With the city coordinating building construction, land improvements, and costs for machinery, the company, Timpfe Manufacturing, located its new plant in the leased facility in 1985.

The impact of the positive community attitude did not end with the opening of the plant. The hands-on management style of the company made the location of the company headquarters near the largest plant an added possibility. In January of 1986, this decision was made and Wayne became the headquarters city. Again, the city extended itself. Government officials, local business leaders, realtors, and community leaders worked together to assist the families that relocated from Colorado corporate headquarters. Corporate personnel completed their move to Wayne in the late summer of 1986. Thus

"You have to coordinate all of your groups. You have to be able to put a package together--sometimes quite hastily. You have to be ready; you cannot go to an industry with a haphazard effort. Know what you are going to say. Have your material well thought out and your package well done."

"Above all, be very, very honest with a prospect. Don't promise something that you are not sure you can provide. If you don't have an answer to something, say so. Tell them you will get back to them with an answer, and then do just that. Don't mislead them."

"Leadership in the community has to be trusted if you are going to have people willing to donate the kind of money that may be needed to attract an industry. People have to believe that you really do need the funds."

"The single, most important factor in the location decision was the fact that the city merchandised itself very well. Citizens on the street, local merchants, government officials all let the company officials know how much they supported the location. The enthusiasm was a ground swell of support."

what started as an effort to bring new jobs into the community gathered momentum and resulted in both a new plant and a new corporate headquarters. The willingness of individuals in the community to risk their own money and the trust that they placed in community leaders gave this small city a new lease on life.

Manpower and production are increasing at the manufacturing plant on a steady basis. The company buys its supplies locally insofar as possible and has become a strong advocate of the community. A new company in town has rapidly become a "home-owned" business.

TYPE OF ORGANIZATION

Wayne Industries Inc. is a 25-year-old nonprofit volunteer industrial development corporation. The city attorney and city administrator are ex officio members of the board of directors, which is composed of private sector individuals. Wayne Industries Inc. works cooperatively with the city. Existing businesses also receive assistance. For example, financing and training needs are identified and met wherever possible in order to retain local companies.

FUNDING

- \$25,000 annually through membership in Wayne Industries Inc., plus in-kind services
- IRB bonds, \$60,000 grant from the state, tax breaks, and other incentives were offered to Timpte Manufacturing

BENEFITS

From the manufacturing plant and company headquarters:

- 325 jobs and over \$4.2 million in payroll
- Purchase or rental of 25+ homes and apartments; \$391,750 per month or \$4.7 million annually
- \$87,000 in taxes annually
- Utilities average \$14,000 per month
- Local purchases average \$156,000 annually

CONTACT

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NEVADA

Ely	4,565 (pop.)
White Pine Cty.	7,640 (pop.)

"Everything in rural Nevada, with a few exceptions, has been dependent on mining. There has been a real tendency to sit back and wait for the next boom. Efforts that start when a community is at a really low point tend to die down when the economy goes back up. What we've done that's unique is to finally come to grips with the problem which that attitude creates for a local economy. Long-term continuity is the key."

"As a rural area, our county cannot focus its economic diversification program solely on industrial promotion and development. The program needs to include strengthening the local business community, tourism, and retaining and improving community services and facilities. All of these areas are important to stabilizing the area's economy."

"We totaled it up that we devoted over 200 hours in staff time to complete that project. It was a matter of being available by phone 24 hours a day, and then following it up. Assuring them that they weren't going to run into a last-minute roadblock was important too. For example, we got all the way down to the purchase of the building, and our county engineer realized that somehow the building

ECONOMIC RECOVERY FROM LOSS OF A MAJOR EMPLOYER WHITE PINE COUNTY, NEVADA

TYPE OF SUCCESS

- Developed an ongoing County Economic Diversification Development Program

DESCRIPTION

From the turn of the century through the mid-1970s, White Pine County's economy depended on a large copper mine and smelter. When the mine closed in 1978 and the smelter closed in 1983, the community was devastated. It lost over 2000 jobs, 25 percent of its population, 32 percent of school enrollment, an \$18,000,000 annual payroll, and over 24 percent of its tax revenues. The peak unemployment rate was 26 percent.

The community responded with numerous planning efforts. The major projects that form the basis for the county's economic recovery include:

1. Completion of the development phase of the White Pine Power Project, a 1500-megawatt, coal-fired electrical power generating plant. The plant is expected to begin a six-year construction phase in 1989. The peak construction work force is 2900, the operations work force is 550, and the facility will generate tax revenues and contracting opportunities for the local business community.
2. Establishment of a county-owned, full-service 174-acre industrial park. All water and sewers were financed by the county. To date 76 acres have been sold, leased, or are under option.
3. Siting of a state maximum security prison, scheduled for construction August 1987. The construction phase will generate 250 jobs and contract opportunities for the local business community. The operations phase will employ 326 for an annual payroll of \$7,000,000.
4. In 1986 the county was able to announce that Safety Industries (the nation's largest manufacturer of drivers' education materials and rural mail carriers' supplies) and Civic Supply Company (a distributor of baseball caps) located in McGill. The two firms currently employ 33 for an annual payroll of \$450,000; they expended \$750,000 in goods and services in White Pine County in 1986 and anticipate spending over \$1,000,000 in the county in 1987. Civic Supply Company is preparing to develop a new product line during 1987 that will employ 10 additional workers.

was sitting in a residential zone and could not be used for that purpose. Within two days, while the owner was still in the community, we worked it out to grandfather the change to the previous use of the building and get the change officially started. We saved them a lot of time delays."

"The revolving loan has been a good tool to develop interest in the area. But it has not been a tool to encourage businesses to locate in our industrial park. With no available buildings in the park, anyone locating would have to build--but to use the loan fund, you must pay Davis-Bacon wage rates, which adds about 20 percent to construction costs in our area."

"Even when we were not able to help firms financially, we provided a referral service to other financing sources and a lot of management assistance, even to the point of getting people a business plan."

"The one thing this community has finally learned is that we can't keep looking to the outside for big companies to come in and save the economy. That's just not going to happen. Now we're looking to strengthen and build from within--find the person who has an idea that can be developed, and what services and programs do they need to get going to the point where they can expand their current work force by one more job or five more jobs."

A revolving loan fund was also established, and currently about \$215,000 has been loaned out to three recipients. The interest from these loans is helping to finance the county's program. An additional \$70,000 from the state may become available soon.

The area is also looking at tourism. Ely sits on the valley floor at 6,500 feet, and the mountains around are 8,000 to 12,000 feet high, so it is rugged, beautiful country. The greatest boon has been the recent designation of the Great Basin National Park, about 60 miles away. It is the first new national park in 15 years.

TYPE OF ORGANIZATION

The Economic Diversification Program is currently a county effort that serves at the direction of the county commissioners. The program staff work with four advisory committees. The official advisory board is a committee of the White Pine Chamber of Commerce. Staff also work with the Industrial Park Review Board, the revolving loan fund advisory committee, and the county's OEDP (Overall Economic Development Plan) Committee. Consideration is being given to forming a development corporation.

FUNDING

When the program was established in 1983, it was funded with 95 percent federal and state grants. Since then federal and state funding has steadily declined and been replaced with local funds. In 1986-1987 the program was funded (\$48,000) through the City of Ely, White Pine County, donations from local businesses, interest from the revolving loan fund, and a grant from the State Commission on Economic Development. Most recently about 50 businesses have contributed, and almost \$8000 has been raised locally.

BENEFITS

- Unemployment declined from a high of 26 percent in 1979 to 5 percent in 1987.
- Safety Industries and Civic Supply Company report a work force of 33 for an annual payroll of \$450,000 and local expenditures of \$750,000.
- Construction of the maximum security prison will employ 250 on the \$36 million project. Operation of the prison will employ 326 with an annual payroll of approximately \$7 million.

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NEW MEXICO

AGRICULTURAL AND RURAL ENTERPRISE DEVELOPMENT LOS OJOS, NEW MEXICO

Los Ojos 200 (pop.)

Rio Arriba Cty. 29,282 (pop.)

TYPE OF SUCCESS

- Formed a successful agricultural development corporation sensitive to the unique cultural and land-based resources of an isolated rural area
- Initiated a variety of innovative programs: a co-op spinning and weaving enterprise; specialty breeding program; livestock shares program; revolving loan fund; and cooperative marketing, grazing, and breeding

DESCRIPTION

"We began slowly because there weren't any models that fitted our situation here. Nationally, there really has been nothing that has worked in isolated communities that are also culturally distinct, with a different way of relating to their resource base than commercially. We wanted to preserve the best of the traditional culture but also use modern business and agriculture practices to allow small-scale growers to stay in the sheep business."

"We decided to revitalize the weaving arts that were in this community indigenously but which faded in the 1930s and '40s. We felt that we could bring it back because we knew the local people had the talent and we felt there was a market for it. When we brought in someone to do training, to bring some people's skills from the hobby level to something marketable, we were amazed at the number of young people who came forward and wanted to do it. Today we have a business that's four years old and grossing about \$100,000. It has dramatically increased people's wages, and some households are totally dependent on the weaver who works with Tierra Wools."

Rio Arriba County has long been one of the poorest counties in New Mexico. But until recently there was relative stability in the sparsely populated region. Residents are mostly of Spanish descent and have raised livestock, primarily sheep, on their own land for generations.

As agribusiness grew, this region of small-scale growers found they could not compete economically in the traditional commercial markets. Some way had to be found to cut expenses and increase profits. The challenge was to develop a strategy that would combine the best of the history and culture of the area with modern business and agricultural practices.

Change began when a few local people organized and selected two priority problems to research: predation losses and inefficient marketing. An organization, Ganados del Valle (Valley Livestock), was formed in 1983. Predation losses dropped sharply with the introduction of Anatolian Shepherd guard dogs. Ganados then tied into a telephone marketing system. Local growers did receive higher prices and were also able to save on shipping costs. With this credibility, Ganados gradually expanded its program to include cooperative summer grazing, a loan fund, a livestock shares program, Tierra Wools, and a Churro sheep breeding program.

Tierra Wools is a spinning and weaving cooperative that combines an apprentice training program with a wholesale and retail shop. It has preserved the nearly extinct Rio Grande weaving tradition and developed distinctive apparel and home decor items. Tierra Wools is located in a century-old trading post, and almost the entire process from sheep to shawl can be observed by visitors. The Churro breeding program will eventually

"We resemble a developing country. If someone comes in with a grand development scheme, people who are a little more affluent may take advantage of it, but those who aren't get left behind. It's not because they're obstinate, stupid, or backward--it's because those who don't have any money to spare know exactly what they can risk in labor or money on any new venture. If the development scheme goes beyond that 'risk savings account,' they know they can't handle it. So the real challenge is to figure out what you can do to make accessible a development strategy that includes a lot of training and technical assistance and a lot of being patient and letting people test the water themselves. As the returns come in that make it worthwhile for them to participate, more becomes possible."

"This is a very sparsely populated area, so while 30 does not sound large, for us it is a big organization."

"Our strategy was to let people develop the expertise to rise to the market. It has been slow, but we have had some really amazing results here. I feel that the way we did it could serve as a model for other isolated communities."

produce a propagating flock of pure Churros, the sheep that provided the long-staple, low-grease wool that the Navaho Indians used to create their masterful rugs and blankets in the mid-1800s.

Future plans include building an energy-efficient, small-scale scourer that will allow growers to wash small batches of wool themselves. This demonstration project may lead to production of similar processes for sale to other wool-growing regions. Ganados will also be hiring a business analyst to evaluate several other proposed ventures.

TYPE OF ORGANIZATION

Ganados del Valle is a not-for-profit corporation. There are about 30 families in the Ganados Co-op program, ranging from growers to weavers. Dues and a membership fee are required. Members are entitled to the co-op grazing program, a livestock shares program, and a revolving loan fund. Tierra Wools is a cooperatively run enterprise. Ganados acts as a limited partner to Tierra Wools and develops resources for training, technical assistance, and marketing.

FUNDING

Most funds for running Ganados del Valle have come from grants from individuals, churches, and foundations. The New Mexico Department of Agriculture has also assisted with modest grants. The largest grant received prior to 1987 was about \$20,000 from a private foundation. Most grants have been much smaller--\$1000, \$2000, or \$5000. Recently a major grant from the Ford Foundation will allow Ganados to hire a business analyst.

BENEFITS

- Families are gaining about \$300 per year in income (in an area where per capita incomes are about \$5000 per year).
- The region has begun to open some new market outlets for lamb and sheep products.
- Tierra Wools employs 12 people (some part-time) and after four years is making a modest profit.
- The revolving loan fund has made 15-20 loans of about \$500 each to co-op members, enabling weavers to purchase equipment or growers to buy stock.

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NORTH DAKOTA

Turtle Mountain
Indian* Reservation 9,889 (pop.)

Rolette Cty. 12,177 (pop.)

* Chippewa Nation

"Our people have built every major project in the state--Garrison Dam, power plants, missiles, other projects. Now that most of these are completed, many of the skilled construction workers are coming home to the reservation. There is no work for them."

"The Tribal Council acted to get the other agencies to believe in a project to start our own manufacturing plant. We got lots of assistance from BIA, EDA, SBA, and our congressional delegation. The Council acted as a clearinghouse, and the federal agencies did the investments."

"Defense Department staff have indicated that they are more than satisfied with the manufacturing company's current operation, not only from the standpoint of quality but also the company's ability to meet contract deadlines. In fact, we are ahead of contract schedules."

"If you are trying a start-up, it is wise to get a very capable manager in to get things started properly."

RESTRUCTURING TO RETAIN A MANUFACTURING COMPANY TURTLE MOUNTAIN INDIAN RESERVATION, NORTH DAKOTA

TYPE OF SUCCESS

- Developed an industrial park and the start-up of a manufacturing plant
- Successful pursuit of government and commercial contracts

DESCRIPTION

The Turtle Mountain Indian Reservation has been plagued by high unemployment. Of the 4500 persons in the work force, almost half are currently unemployed. However, unemployment would be even more acute if not for a concerted effort begun in 1971.

At that time, economic stress on the reservation was compounded by the closing of a mental hospital facility where about 170 Indians had been employed. The Tribal Council met and decided to begin using direct mail advertising to heavy manufacturing firms and making contacts around the state. A firm agreed to come in with the Tribe, and in 1979 the Tribal Council entered into a joint agreement to create the Turtle Mountain Manufacturing Company (TMMC). The company began manufacturing trailers.

However, because of poor management and bad investments, the company began losing money. Employment declined from 40 to 4. In 1980 the Tribe assumed 100 percent ownership of the company. The company qualified to become an SBA 8(a) contractor, and major military contracts were secured with the help of SBA and the Department of Defense. By 1984, the company was showing a profit, and employment had risen from 40 to 140. In 1987 the payroll was over \$2 million.

The internal changes that affected this change were:

- A new management team.
- Better buying techniques and processes.
- Increased efficiencies (using daily attendance reports, evaluations, and monitoring; a commitment to reducing absenteeism and tardiness; continual training; quality circles; and a profit-sharing program).
- Improved relationships with suppliers, with most materials now being sold to TMMC on terms.
- Improved cash management system, scheduling, production, and inventory control.
- Increased number of parts manufactured in-house.

"We are trying to be recognized as a place to send prospective businesses. We are working with the state to get a minority business office set up to assist us and other reservations in the state. We are hampered by a lack of visibility and a lack of knowledge about our work force. We have 2600 people who want to work, and any company can come in and select workers from this large labor force."

"We are looking at other businesses. The Turtle Mountain Tribe will do everything in its power to initiate an operation with any type of job creation and retention in our community."

"It takes years to put together a good economic development program. You have got to have the staff to do the work and stability in the program so that the knowledge gained over the years can be put to use."

The important external factors were:

- The Department of Defense took time to adequately explain their engineering requirements and to guide the company in developing a quality product.
- SBA helped with their 8(a) set-aside programs.
- EDA helped in financing an addition.
- BIA helped in providing loans to assist TMMC in working capital needs.

With this success, a second joint venture--a data entry firm--has been started. Other joint ventures are also being considered. Also, the Tribal Council, through its efforts with the state, is seeking to have a minority business office operate under the Economic Development Commission. In the future the Tribe hopes to publicize its ready and willing labor force more aggressively.

TYPE OF ORGANIZATION

The Tribal Council creates management boards to run tribal enterprises such as TMMC. The Council itself is not involved. There is an economic development professional who heads the day-to-day operations of the profit-making tribal enterprises such as TMMC.

FUNDING

- Funding for the initial TMMC building and equipment came from a \$2 million EDA grant
- The Tribal Council's economic development program received a \$50,000 planning grant from EDA

BENEFITS

From TMMC:

- Employment for 140 persons and an annual payroll of \$2 million
- Sales of over \$19 million
- Experience that enabled the Council to start a second joint venture
- Increased recognition from the state
- \$72,000 in rental income from commercial and industrial property

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OHIO

COUNTYWIDE COOPERATIVE EFFORT IN ECONOMIC DEVELOPMENT FAYETTE COUNTY, OHIO

Washington Court House	12,748 (pop.)
Fayette Cty.	27,467 (pop.)

TYPE OF SUCCESS

- Brought together communities, county government, and the Ohio Cooperative Extension Service in a unified approach
- Assisted in expansion efforts of several companies; retention of others
- Located several new industries

DESCRIPTION

"Our income levels were dropping for families, and the costs for public support were increasing. We had to do something to increase employment opportunities."

"Before we could address the issues of site development, utility extension, incentive programs, or any other issue, local leaders had to place the broader community good above local needs. Basically we had to lay turf problems aside."

"It is important to define the turf problems from the beginning. You must educate the public that 'their' town may not be the first one to benefit, but if there is a unified approach in the area, there will be more than one opportunity for success. We had a graphic example of this when two companies chose to locate just over the county line because the land was less expensive. But about 100 of the 200 jobs created went to residents of our county. Our county has benefited from those locations."

"Another example of our regional frame of reference is that a new firm is opening that will house a small parts supplier to the Honda factory that is located in Marysville, about 50 miles away. Even

Washington Court House, a small city in Fayette County, is located in the center of a triangle formed by the cities of Dayton, Columbus, and Cincinnati. In the early 1980s the area was experiencing significant employment losses because of plant closings, and also a rapidly declining tax base. The city wanted to launch an economic revitalization effort, and the city manager began to explore alternatives.

The turning point came when the exploration for alternative development strategies coincided with the desire of the Ohio State University to begin a pilot program for economic development through its Extension Service. The agricultural agent for Fayette County was aware of this interest, and discussions began with the city, the Extension Service, and county officials, which resulted in a joint venture. In January 1986 a director of economic development was hired through the Ohio Extension Service, with participation in selection by the city and county.

The Cooperative Extension Service (CES) now serves as the county's lead economic development agency and coordinates a variety of activities. The office is housed in a building with other groups that provide supportive services: Washington Court House Area Chamber of Commerce, the Private Industry Council, and the Center for Economic Opportunity, which is operated under the auspices of Great Oaks Joint Vocational School District and provides training. Since its inception not quite two years ago, the development effort has provided one-stop assistance to existing business and industry. Through the Community Improvement Corporation (a public, non-profit development corporation that can buy and sell land), the office obtains options on land and buildings for future acquisition, based on the needs of new or expanding firms.

if we don't get the original prospect, maybe we can service that industry if it locates in our area."

"Our thrust was to develop a strategy that concentrates on what industry is looking for in terms of resources and sites. Then we work very hard, spending money and energy to obtain what the industries need; we make the kinds of local decisions that business must have to be profitable."

"We want industry from other countries, and we want to show it in a concrete way."

"We had some opposition to our approach from those who wanted a traditional marketing effort with advertising, travel, and more visible activity. That opposition has changed as we have shown success by following our strategy of supplying what industry wants and letting the word spread. There was quite a bit of our funding committed for a travel budget, and we just have not used it for that. We know that for our particular area, our approach is better."

"We found it better not to put up speculative buildings. It is more cost-efficient to obtain options on land or buildings and then acquire them when a firm commitment is made. You can have a wider offering for new locations and expansions without tying up all your funds."

"Get close to those who are directing the major development efforts in the state. Develop a good reputation with industry, and the word will spread. Be able to deliver what industry needs to make the community attractive to business."

The strategy has differed from traditional marketing efforts. The development office puts much emphasis on bringing together all of the communities in the county that were once competitive in development efforts. This effort has strengthened the ability of the county as a whole to support business and industry. The needs of specific industries and businesses are determined, and then responses are developed to meet those needs. A careful review determines which sites should be selected for obtaining options for purchase by the Improvement Corporation. Assistance in financing and other requirements of businesses is provided through the development office.

There is also an International Association that fosters a climate to encourage international investment in the area. It is directed by an Ohio Extension Service home economist and provides education and services for families moving into the area as well as educating the local communities in becoming promoters of a pro-international attitude.

TYPE OF ORGANIZATION

Countywide effort with support from county commissioners, the city council, and the Ohio State University Extension Service. An advisory council with representatives of the various local governments, the county commission, and several at-large representatives function in a manner similar to a board of directors. The director provides overall coordination for the development efforts in the county.

FUNDING

- \$26,000 from both the City of Washington Court House and Fayette County (\$52,000 annual total)
- In-kind contributions through resources of Ohio State University
- Funding for site options through funds of the Community Improvement Corporation

BENEFITS

- 320 jobs in 18 months and \$4 million in wages
- \$50 million in private investment
- The State of Ohio is now being asked by industries about the Washington Court House area

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OKLAHOMA

COMMITMENT TO DOWNTOWN: A SUCCESSFUL MAIN STREET PROJECT ANADARKO, OKLAHOMA

Anadarko 7,000 (pop.)

Caddo Cty. 31,000 (pop.)

TYPE OF SUCCESS

- Revitalization of a severely decaying downtown
- Twelve new businesses and 39 new jobs in 20 months
- Renewed pride and enthusiasm for local merchants

DESCRIPTION

"We've had some businesses that we knew should be successful in our market area, but the problem was management. When you don't own the place, it's tough to go in and tell them they're doing it wrong. Our policy has been that every new business that comes in is put in an 'intensive care' situation. We go to them the day they open their doors and tell them that by national norms there's an 88 percent chance they will fail the first year. Once we've got their attention, we tell them they will be another statistic unless they make some wise management decisions. Then we encourage them to use our help and the help of others."

"The National Main Street Center applies the 'Four-Point Approach,' which emphasizes organization, promotion, historic design, and economic restructuring. It also says that the community will hire a full-time project manager to work in downtown only. The communities throughout the country that have not had the kind of success we have had typically believe that the four-point approach can be done without a full-time manager. It doesn't work. It's

When the State of Oklahoma contracted with the National Main Street Center in 1985 to help small downtowns, Anadarko seemed a natural choice. Two principal criteria for selection as a Main Street Project are severe problems and good potential, and Anadarko fit both. Many businesses had moved to mall environments while others had failed, leaving downtown vacant and run down. Upper floors were boarded up, while ground levels became at best unsightly detractions and at worst crime hazards. The result was lost jobs and declines in city sales tax revenue and quality of life.

Anadarko had potential, though. The downtown was grouped together well, had a few strong surviving merchants, and still had much of its unique turn-of-the-century architecture in place. One historic restoration had already been successful, the conversion of an old hotel into professional office and retail space by a local CPA. Additionally, the community had long been known as the "Indian Capital of the Nation" and had a budding tourism potential with 100,000 visitors per year coming to the community.

Local leaders pursued the Main Street designation vigorously. After a difficult and thorough application process, including verification of \$50,000 of local funding, Anadarko was named one of the first five communities in the state to participate in the program.

In the short time that the project has been in place, an impressive amount of change has occurred. Over a quarter of a million dollars' worth of rehabilitation has been done to property in the downtown area, with over 30 new businesses creating a net gain in businesses and jobs. Main Street has fostered a new pride and excitement, not only in downtown but communitywide.

just too big a job, and there's too much to be overseen. The absence of a full-time manager is a proven failure and should never be tried."

"One of the reasons that the National Main Street Center has enjoyed such great success is that they understand small towns. They don't go in with a cookie cutter approach and say, 'A small town should do this.' They say, 'Here's your town. What are your strengths? What are your weaknesses? What do you have the talents to accomplish, and what are the things you have no business being involved in?' They'll be blunt with you. They're wonderful to work with, and if you can't argue well with them, you're not going to get along. They always challenge you, and it's great because then you're not trying to make Anadarko into Jackson, Wyoming."

"If we've done one thing in downtown Anadarko, we've answered the old cliché that a life without risk is a life without reward. In the last 20 months, we have put downtown Anadarko at risk. We put our reputation at risk through the promotions we've done, we put the city's money at risk, we put a lot of things at risk, and Anadarko had never taken any risks. The best thing that anybody can do in rural initiatives is to find ways to legitimately take good risks with their communities. That's the only time they really begin to see the rewards come."

Apathetic merchants have turned into enthusiastic supporters. These merchants have, through Main Street's efforts, learned how to become better managers. Businesses that have opened themselves up to consultants who have come in at the invitation of Main Street have almost universally seen improvements in the bottom line, thus stabilizing jobs, profits, and sales tax revenue. A large amount of the project's effort is geared toward promotion, with 25 to 30 events occurring downtown throughout the year.

TYPE OF ORGANIZATION

Main Street Anadarko comes under the umbrella of the Indian Capital Heritage Association, a 501C(3) nonprofit organization set up to deal with downtown problems.

FUNDING

The Main Street Program's annual budget of approximately \$50,000 comes from two major sources. The city provided \$24,000 at the beginning of the project and has agreed to maintain this funding the first three years of the effort. The other half of the funding comes from business memberships of local merchants. Individual memberships account for about 4 percent of the budget. In addition, grants for specific purposes have been received. For example, the project has a grant from Southwestern Bell and an additional \$10,000 from the State Department of Libraries, which grants monies to communities for economic development work that includes local libraries.

Project expenses are approximately 50 percent administrative and 50 percent promotional. All building improvements are done by merchants and property owners, although the project has established a low-interest loan pool through a local bank.

BENEFITS

Over \$300,000 has been spent in the first 20 months for building renovation. While the community has lost 20 businesses since the project began, they have gained 32, for a net gain of 12 new businesses and 39 jobs.

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OKLAHOMA

PREPARING FOR TOURISM THROUGH COMMUNITY DEVELOPMENT EUFULA, OKLAHOMA

Eufaula 3,600 (pop.)

McIntosh Cty. 17,700 (pop.)

TYPE OF SUCCESS

- Transition from a farming community to a tourist destination point
- Aggressive grantsmanship to fund municipal improvements
- Attracting new business and industry

DESCRIPTION

"With early news of a lake project, Eufaula residents fell into two groups. One was composed of old-timers who saw impending ruin. Another, more optimistic, envisioned prosperity: The optimists won."

"The big lake itself is a source of profit. Communities of no little size have sprung up. There are boats by the hundreds. Many businesses have come to Eufaula, including motels."

"When we were applying for all these grants back when they were more available, some people would say, 'The federal government will end up owning Eufaula.' Our position was, we won't lower the federal deficit if we don't take advantage of these things. If we don't take the money, somebody else will."

Eufaula is situated on Lake Eufaula, a Corps of Engineers impoundment completed in 1964. The lake forced Eufaula, a town traditionally tied to agriculture, to turn to tourism for survival.

With Eufaula's growing popularity as a tourist destination point, civic leaders recognized the pressing need for infrastructure improvements. In the mid-1970s the mayor and city council began to actively pursue federal money to fund these improvements. They were successful in their applications for matching funds from three federal agencies (EPA, EDA, and HUD). As a result, Eufaula now has a new sewage treatment facility, and a new water plant. A 33-bed hospital was funded through a 1 cent sales tax and was sold after eight years of city ownership at a profit of \$1 million. Part of the proceeds were used to retire the debt for the city's matching share of the grant for the water plant. Another portion of the proceeds was used to match a CDBG grant which funded purchase and renovation of a 7500-square-foot building into the town's new community center/fire station.

Eufaula received national attention in 1986 when, in four months, the town raised over \$300,000 to construct a 6000-square-foot library. The city was able to obtain \$150,000 in state and private grants. Eufaula's library, which was once housed in a double-wide mobile home, has since received numerous awards for excellence.

The community is now concentrating on economic development by fostering tourism and recruiting new industry. The city has turned to the downtown district with its concentration of historic buildings. Eufaula was accepted into the state's Main Street project and also has submitted an application for placement of the downtown district in the National Register. Another tourism-related development that is currently under

"A Canadian houseboat operation was considering Lake of the Ozarks as the site for its first U.S. facility. But they came to Eufaula instead."

"Communities of similar size are growing, but they're not as active in getting state and federal grants that spur their growth. It's a willingness, an attitude, and having good people there to package projects."

"Study state and federal programs as to what might be available, and take advantage of them. They don't just call you and ask if you want some money. If we don't ask for it, we don't get it."

"A community needs three major ingredients for progress: water, sewer, and health facilities. We've satisfied most of the basic needs of any community. The things that we're working on now, like the Main Street Project, strengthen our business district."

construction is a 10-acre amusement park. Once completed, the park will employ 30 to 40 people. Also, a private initiative resulted in attracting a major houseboat operation to Eufaula. The business currently employs approximately 50 during the tourist season.

The city also has been successful in its efforts to attract new industry to the area. Eufaula's most effective promotional tool has been a newspaper with a circulation of 30,000. Its promotional efforts have resulted in a new boat manufacturing facility that employs about 100, and two other manufacturing firms are currently considering Eufaula as a site for new facilities.

ORGANIZATION

Eufaula's mayor also serves as city manager and guides the overall effort. Main Street Eufaula consists of a full-time manager and a nine-member board. The budget for the Main Street Program was set at \$44,240 in the first year.

FUNDING

Since 1975, major sources of funds have included:

- \$2.77 million in CDBG funds (water tower, building rehabilitation, other water projects).
- \$1.1 million in EDA grants for wastewater and water supply.
- \$124,000 from the Oklahoma Wildlife Department (boat ramp and fishing dock).
- \$1.2 million from the Oklahoma Department of Commerce (airport).

BENEFITS

- New municipal water facilities, a landfill, a hospital, a community center, and nationally renowned library
- An amusement park (30-40 jobs)
- A new houseboat operation (50 seasonal jobs) and a boat manufacturing plant (100 jobs)
- Potentially two other new manufacturers (100 jobs)
- Government assistance for historic preservation

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OREGON

WATERFRONT REVITALIZATION BANDON, OREGON

Bandon 2,500 (pop.)

Coos Cty. 64,047 (pop.)

TYPE OF SUCCESS

- Coalescing public support along a 26-mile stretch of the Coquille River
- Redevelopment of the waterfront area of Bandon
- Targeting tourists and retirees

DESCRIPTION

"We knew we were not ever going to get one of those nice little electronics firms like everybody wants. You have to do the best you can with what you have, and what we knew we had was an exceptional quality of life."

"The Development Corporation was our godfather when we built the boat basin. The director guided us through and helped us get the EDA grants and other pass-through funds."

"Of course, to get the EDA grant, we blew our horn in this respect: our town burned to the ground in 1936, and there was absolutely no federal or state aid at that time. Our town finally had a chance to really come back, and we had a worthwhile plan, but we needed some help. We were ready to put our money where our mouth was too."

"We've continued to succeed because whenever we have told the public we're going to do something, we do it just the way we say we're going to do it, and we run a very tight ship. We've been extremely honest with the public, and we have a confidence we have built within the community."

The economy of the small communities along the Coquille River has historically been tied to the fishing and timber industries. In the early 1980s, when both these industries were sagging, a need for greater diversification became clear. In the community of Bandon, the Port District was the local development organization that answered the challenge.

At that time, years of neglect and heavy use had taken their toll on the boat basin in Bandon. However, the river itself and the waterfront setting of the community were still its greatest assets. In particular, the "Old Town" area of Bandon, adjacent to the boat basin, had great charm. In fact, it had long been a haven for artists and artisans who were drawn to its setting and old wooden buildings.

With assistance from the Coos-Curry-Douglas Development Corporation, a three-county consortium, the District applied for federal and state assistance for a major renovation of the port facilities. At the same time the District set about building a strong case for taxpayers to approve a major bond issue. Since the District boundaries extend well beyond the community of Bandon, a strategy of areawide revitalization through increased commercial, tourist, and retirement community growth was emphasized.

The bond issue passed, nonlocal funds were secured, and major facility improvements were begun in 1982. Since that time the District has sought two other funding increases from taxpayers. These have succeeded even in the face of defeat of almost all other recent money issues. With the strong commitment of the citizenry, the following accomplishments have occurred:

- Development of a 90-slip year-round boat basin
- Reopening of a fish processing plant
- Reopening of a charter craft service
- Development of a seafood retail market
- Construction of a sternwheeler paddle boat

"We are extremely blessed with having a very fine husband/wife Port Manager team. These people are very creative and talented. Through their efforts we do a lot of improvement work ourselves rather than farming it out. For example, when the city was required to extend their sewer outfall pipe into the river, their engineer estimated it would cost \$50,000, but the low bid was \$67,000! Our Port Manager made a deal with the city to do it for \$32,000 if they would provide the material, which cost them about \$10,000. Our manager has secured a lot of surplus equipment to do things even larger ports can't attempt. We got some flak from the American Association of Contractors, but we saved the taxpayers about \$10,000, and the Port made a fair profit on the job too!"

"If people trust you, and you come through, they'll back you again. For example, we could, by law, be paid \$20 a meeting. Well, there are five of us, that's \$100, and if we have 20 meetings a year, that's \$2000. We don't do that, and we don't go off on expensive junkets. We just don't think that's the way to do it."

"We think a lot of retired people are tired of the rat race. What we have won't fit for everybody--our theme is, 'We're looking for a few good retirees.' You have to be somewhat special, but that's what we want."

In addition, the District continues to lease facilities to a bait and tackle shop, a crafts shop, and a museum. Other plans call for construction in 1988 of a new boat ramp for commercial and recreational use.

The District recently turned its attention to marketing the "Coquille River Communities" to retirees. With local and state funding, they are planning to advertise in senior citizen publications with a targeted marketing strategy.

TYPE OF ORGANIZATION

The Bandon Port District was established in 1913. It is directed by a five-member elected commission. The taxing district includes 26 miles of the Coquille River and both the cities of Bandon and Coquille. The district credits their Port Manager husband/wife team with much of their success too.

FUNDING

Annual funding for the district comes from taxes (about \$143,000) and income from rentals (about \$14,000).

Major nonlocal funds have included:

- \$1.3 million in local bonds.
- \$950,000 from EDA.
- \$2.0 million from the Army Corps of Engineers.

About \$5000 has been raised locally for the marketing effort, and a grant for an additional \$12,000 is pending with the State Department of Economic Development. Also, a proposal for \$249,000 for boat ramp construction and parking improvements has been granted by the State Marine Board and the State Fish and Wildlife Department.

BENEFITS

- An estimated 50 new jobs
- About \$30,000 annually from additional moorage receipts and services to new port users

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SOUTH CAROLINA

THEATER AS A CATALYST: DOWNTOWN REVITALIZATION AND HISTORIC PRESERVATION ABBEVILLE COUNTY, SOUTH CAROLINA

Abbeville 6,000 (pop.)

Abbeville Cty. 22,600 (pop.)

TYPE OF SUCCESS

- Revitalization of the historic town square
- Diversification of the local economy
- Renewed commitment and interest on the part of the local citizenry

DESCRIPTION

"When we started, our goal was just to get the theater a good home. But we saw from the beginning that in order to have a full-time theater, we would have to stimulate traffic from more than just this community. That began to work heavily in the back of the brain and say, 'We've got to get some other activity in here.'"

"We're going to need to continue with this project. As small as this community is, if we don't continue to develop other reasons for people to come to Abbeville, the repeat business stimulated by the theater will slowly but surely dry up."

"None of this really happens because of one person, but sometimes there has to be one idiot out there who's willing to keep on plugging when it looks like there's no way in the world to get the job done."

The situation in Abbeville prior to 1968 was not unlike that of many rural southern communities dependent upon agriculture and textiles. Prior to the restoration, the opening of a mall outside of town seemed to spell the end of downtown activity. Buildings not boarded up and empty had been covered with unsightly facades which hid the natural beauty of the architecture of the community, which dates back to the mid-1700s and is steeped in Civil War history.

The catalyst for the revitalization was the local Opera House, which originally opened in 1908 to serve both as a city hall and as an opera house. In 1968, with grant monies from the Department of Interior (Historic Preservation), the town's popular Community Theater refurbished the Opera House for their permanent home. Having learned about historic preservation, other projects were taken on, including renovation of an old church. Finally, in 1971 at the urging of the state the entire town was declared a National Historic District.

In 1977, with a plan designed with the help of faculty from the University of South Carolina, Abbeville accessed federal money available through the State Archives and History Department to restore downtown buildings. This grant, the first of its kind, allowed the federal government to contract directly with individual merchants to renovate their storefronts for 50 percent of the cost. The crowning touch to the effort came in 1984 when an old hotel on the square was purchased by a developer and restored at a cost of \$1.6 million.

The entire town of Abbeville has been declared a National Historic District, and the exteriors of buildings on the town square, as well as many in adjacent areas, have been refurbished and preserved. Many interiors have been preserved as well.

"The Opera House is still in need of a lot of work. It has really been the catalyst for all our work, and it would be unlikely that development would continue if something should happen to that structure. It has been much a part of why people come to Abbeville."

"With some \$80,000 in grant money, we've probably stimulated somewhere in the neighborhood of \$3 million in improvements, so the leverage is very strong on the private side. We don't go above \$1000 in grant money, but a little bit of money will spur merchants on to make the improvements. It's more of an incentive than it is a real strong financial commitment, and it's money well spent."

"The accommodations tax monies are revenues generated in tourist areas. Some places call it a bed tax or a sleeping tax, and in South Carolina, places like Hilton Head and Myrtle Beach generate most of that income. When the bill for this tax was before the legislature, a lot of the smaller counties got together and had what we call a 'Robin Hood' clause added to the bill. The 'Robin Hood' clause essentially says that while the income-producing counties get most of the revenue, everybody gets a little bit of it. It's up to each county to determine what they spend it for, but here in Abbeville, we decided to spend it on economic development."

The work in Abbeville is paying off. At least 150 jobs have been created as a direct result of the effort. The local economy is growing more diverse with the addition of new firms in plastics, equipment, and metals. Three industries have claimed that the restoration and its effects were primary in their decisions to expand or locate in Abbeville because the revitalization has produced a vibrant town that everyone wants to visit. A year-round theater; good lodging, restaurants, and shops; and a strong quality of life overall were important location decisions.

TYPE OF ORGANIZATION

The historic restoration project is overseen by the Abbeville County Development Board, a private, nonprofit corporation with 14 elected members of the board of directors. The project came under the aegis of this group when one of the leaders of the Opera House restoration movement became executive director of the Development Board.

FUNDING

Originally, three grants totaling \$84,000 were secured from the U.S. Department of Interior for the Opera House and town square facade restorations. The project has continued with the use of state accommodations tax monies received by the county for the purpose of developing and promoting tourism, from matching funds from individual merchants, from county taxes, and from private membership of business and industry. On an annual basis, approximately \$20,000 is appropriated to the project.

BENEFITS

- Between 1983 and 1987 the restoration contributed to approximately 150 direct and 300 indirect jobs.

CONTACT

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SOUTH CAROLINA

DOWNTOWN REVITALIZATION: OVERCOMING THE NEGATIVE EFFECTS OF A RELOCATED HIGHWAY ALLENDALE COUNTY, SOUTH CAROLINA

Allendale 4,400 (pop.)

Allendale Cty. 10,700 (pop.)

TYPE OF SUCCESS

- Improvement in the appearance of the downtown
- Retention of about 600 jobs
- Creation of about 350 jobs from a new state prison

DESCRIPTION

"When the tourism business faded, the downtown buildings really began to look dilapidated. Because the owners weren't getting any income from the buildings and didn't have any prospects of getting any income, they couldn't afford to put anything into them. The appearance of the town suffered tremendously. It's the old adage: if you're going to try to be somebody, you have to look like somebody."

"The start of the revitalization was when the business association and town each put up \$1000 to buy paint for the businesses just a few years ago."

"New businesses tend to locate in towns where they see things are happening. Often, it's also necessary for the people to mend some fences and to start working together."

Before the completion of Interstate 95 in the early 1970s, Allendale benefited from its position as a major stopover point for tourists en route to Florida. Once the interstate was completed, motels, restaurants, and service stations closed and stood in varying stages of decay. The loss of tourism, coupled with the decline of the agricultural economy, the major economic activity in the surrounding area, resulted in high unemployment among the town's residents, especially among blacks. Local merchants suffered, not only because of the reduction of local disposable income, but also because of poor images of the quality of service and merchandise to be found locally.

In the past most of Allendale's community development funds had gone to housing rehabilitation. In 1984 administrators of the town's CDBG funds sought help from Clemson University's Extension Service to determine how else these funds could be used. Through the cooperation of the Extension Service and the University's Planning Studies Department, the community became a study project for Clemson students. The resulting recommendations addressed not only housing rehabilitation but also addressed broader concerns such as downtown revitalization, economic development, and market area analysis.

A plan for downtown renovation was done by a local architect and Clemson University graduates with strong ties to the community. The downtown revitalization started in 1984 with the local business association and the town raising \$1000 each to supply paint for the businesses. Buildings along the main thoroughfare have been painted, and the town has instituted a clean-up program. A survey is now in progress to determine the adequacy of services and businesses in the community with Clemson's Agricultural Economics Department playing a lead role.

The semester-long study generated significant citizen involvement. The students set up a series of task forces to define the town's problems and goals. In addition to the clean-up, paint-up program, contact was made with a national chain discount store, which later moved into the town.

"We made a presentation to the Board of Corrections and said, 'We need it, we want it, and we can accommodate it.' They were kind of taken aback because it was the first time anyone had come and asked for a prison. But we estimate it will bring \$5-\$6 million a year from wages and services they'll need to our area and the surrounding counties."

New industries have more than replaced two that closed. A new state prison is being built, providing an additional 350 jobs. Scotsman, the largest ice machine manufacturer in the world, has expanded employment in the neighboring town of Fairfax. A modular home manufacturer recently moved into a vacant building and will employ 150 persons. Thus the trend toward industrial growth in Allendale County continues. The effects of creation of a larger industrial base, with the attendant higher income, is expected to attract more merchandising establishments, which in turn will attract more industries and more residents. While the influx of new jobs cannot be attributed directly to any of the improvements, the improved appearance of the town makes Allendale a more attractive place for new employees and retirees to live.

TYPE OF ORGANIZATION

The Allendale County Business Association, a nonprofit group composed of business and other interested persons, has been the lead organization.

FUNDING

Funding for projects comes primarily from membership dues of the Allendale County Business Association (\$25 per year). Now in its fourth year, the clean-up and painting campaign has used directly less than \$2000 of public funds. Development board activities aimed at recruiting industries are funded from county tax revenues at the rate of \$60,000 per year.

BENEFITS

- The revitalization contributed to creation of 300 new jobs and retention of 170 jobs, \$7 million in income, sales of \$8 million, and public revenues of \$500,000.
- The prison will provide an estimated 350 direct and 350 indirect jobs.

CONTACT

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SOUTH DAKOTA

RAISING FUNDS SUCCESSFULLY AND USING SPECULATIVE BUILDINGS TO ADVANTAGE MADISON, SOUTH DAKOTA

Madison 6,210 (pop.)

Lake Cty. 10,724 (pop.)

TYPE OF SUCCESS

- Raised funds for \$300,000 and passed a local sales tax to create a \$1 million revolving loan fund
- Used speculative buildings successfully
- Recruited 11 new industries over 14 years

DESCRIPTION

"We just recognized the problems that come when you don't have industrial jobs to supplement the agricultural community."

"The Madison Corporation works closely with the Governor's Office of Economic Development. This close working relationship results in excellent introduction to prospects."

"We've always had a spec building available, and part of our strategy is to continue to do this. Prospects want to see sites with buildings that meet their needs and can be ready for occupancy in a short period of time. Without a site and facility, prospects lose interest almost immediately."

"Burlington Northern pays a certain amount back to retiring the bond based on carloadings. Repayment of the bond, which was purchased by a local bank, is ahead of schedule."

In the early 1970s the major industry in Madison, a meat packing plant, closed. It was a devastating blow to the community. About 125 people lost their jobs, and the community lost over \$1,000,000 in payroll. While the Madison Development Corporation had been formed prior to that time, this was the event that caused it to get active.

In 1974 the Corporation launched the first of what were to be three major fund-raising drives. The strategy for these fund drives involved publicity that emphasized the need for replacing the packing plant jobs as well as supplementing the predominantly agricultural economy with industrial job incomes. The first fund drive recognized the need for the replacement employment; the next two fund drives were fueled by successful efforts in attracting new industry. The Corporation raised over \$100,000 on each occasion.

The money has been used to purchase 70 acres in two industrial parks and to erect five 20,000-square-foot steel shell "spec" buildings at these parks. In addition, revenues from the sale of land and buildings at the parks are recycled to industrial prospects. Prospects are sometimes provided financial incentives to purchase a building or the acreage needed to erect their own facility. The Corporation has worked with three local financial institutions to assemble attractive financing as well as with experts from the State of South Dakota. Using state-generated leads, the Corporation has helped bring in 11 new industries that have created over 600 new jobs since 1974.

The business community and the people of Madison have supported the Corporation. In addition to the fund drives, the community gave strong approval in 1987 to a sales tax to fund the economic development effort.

"All of us spend a lot of time with this thing. We host a lot of people we don't get, but because we really do make an effort to be attentive when we're hosting, we get our share of state prospects."

"Madison passed by a strong vote a 1 cent municipal sales tax to be used for economic development. The voters passed it knowing that the state was also going to initiate a 1 cent sales tax for industrial development. The local tax still passed 60/40, which shows how supportive people have been here of our efforts. That 1 percent raises about \$300,000 a year."

"The sales tax proceeds will go to land acquisition and building construction, and low interest loans primarily. We still have no money for salaries, though. We've discussed having a full-time director. It does get to be a burden using volunteer help. But to get someone who's a professional, you're looking at a fairly large annual expenditure; however, the availability of funding for a director's salary would be very helpful."

"We've also had really good support from the companies that have come here. For example, when the Gehl Company came in, they only brought two people--everyone else they hired locally. That's a story that tells well to prospective clients, and the company tells it."

"The industrial payroll has assisted the agricultural sector in providing supplemental income to farm families."

The Corporation has also gotten involved in agricultural business development. It assisted in the extension of utilities and the construction of an access road to a new grain elevator complex. Lake and Minnehaha Counties backed a bond to rebuild the railbed to Sioux Falls to allow grain movement in "unit trains" to outside markets.

TYPE OF ORGANIZATION

The Madison Development Corporation has a nine-member board of directors and one part-time employee. Each board member volunteers many hours of service in meeting with prospects in Madison and traveling to various cities to visit prospects.

FUNDING

In 1987 the City of Madison imposed a 1 cent sales tax to create a revolving loan fund of \$1 million for economic development. The tax is to be sunsetted after three years or when the \$1 million goal is achieved. The funds can be used to lend assistance in land purchase, construction, or low-interest loans. The Corporation also utilizes the State of South Dakota's loan program that requires matching funds.

Access road development into the industrial parks was primarily financed by Lake County and by a South Dakota Department of Transportation grant. The city has also received EDA grants for sewer and water line extension to the industrial parks and for construction of an additional water tower.

Lake County and the City of Madison make annual contributions to the Corporation. Annual public expenditures from the city and county are approximately \$10,000. City and county contributions are \$5000 and \$5000, respectively.

BENEFITS

Since 1974:

- Approximately 600 jobs created in 11 new industries
- Estimated payroll of over \$6.5 million

CONTACT

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TENNESSEE

DRAMATIC RECOVERY FROM HIGH UNEMPLOYMENT: A STRONG MAYOR AND HELP FROM LEVI STRAUSS McNAIRY COUNTY, TENNESSEE

Adamsville 1,486 (pop.)

McNairy Cty. 22,525 (pop.)

TYPE OF SUCCESS

- Developed three industrial parks that employ 2400 people in a town of 1400 people
- Diversification from shoe and garment companies

DESCRIPTION

"We had the highest unemployment rate in the State of Tennessee."

"This guy is incredible--he makes a commitment and keeps it, if he has to work 20 hours a day to do it. Having him on the board gives us access to stuff other people just wish they had: aircraft, for example."

"If it weren't for the mayor, the unemployment rate would be 15 percent, and there would be no economic development organization. We would be like any other rural county in Tennessee. Others work hard, but his position enables him to do more."

"As a result of our homegrown economy approach, we're getting a lot of locally owned businesses. We feel that our base is a little more secure because these are not branch plants of large operations that are going to close the doors as fast if things get bad."

Prior to the 1980s, McNairy County's primary industries were garment and shoe manufacturers. The county flourished in the 1960s and early 1970s, with little unemployment. In the late '70s and early '80s, however, both of these industries began to flounder. By 1985, unemployment in the county was nearly 20 percent. One very large shoe plant had closed, and 800 garment jobs had been lost.

Shortly thereafter, things began changing. Adamsville's new mayor was a dynamic individual, a businessman who himself had been employed by one of the garment plants that shut down. The mayor began to aggressively pursue economic development. He helped secure funding from Levi Strauss Corporation, one of the companies that closed, for a three-year pilot program for economic development in the county.

While the pilot program has allowed for the hiring of an economic development coordinator for the county, much of Adamsville's success is still attributed to the mayor. Because the mayor is executive vice president of Aqua Glass, the major company in the community (831 employees), he has had unusual opportunities to promote the community on his nationwide travels.

Two industrial parks totaling 43 acres were purchased and developed. All but 7 acres have been filled. In each case, the city bought the land, developed it with CDBG funds, and gave away sites to industries. There are currently options on another 40 acres that are ready to develop. In addition, there is a new community center, complete with theater; two new city parks; a museum; and new doctors and dentists who have been recruited by the town. Over one year, unemployment declined from 18 percent to 10 percent.

"A high school education alone is not going to be enough in the future. Some of our industries are experimenting with robotics. We're trying to educate our young people to this fact, that even factory jobs are going to require skills beyond those you can get in high school."

"Low wages are a problem, but why should an industry pay more if all the person is offering is a strong back and a willingness to work? You have to offer a skill before an industry will pay more."

"We have 10 incorporated municipalities in our county, and there's a lot of division among those 10. Of course, everybody wants what's best for their town...but when we bring an industrial prospect in, we show a unified front. That is one of the biggest strengths we have. By getting each town to contribute just a token amount to this program, we've achieved this."

"Now on any given day we have over 2000 people working in Adamsville, a town of 1400 people!"

The pilot project was set up based on recommendations of a consulting firm, the Corporation for Enterprise Development. The first year emphasized expanding local plants and using seminars and counseling from a small business development subcenter, the Tennessee Valley Authority (TVA), and the Regional Economic Development Center of Memphis State University. Year 2 is focusing on recruitment. In Year 3 the county hopes to build an incubator facility and a speculative building in one of the industrial parks; utilize a target industry analysis for the county done by TVA; develop a high school entrepreneurial course; and address some community development needs.

TYPE OF ORGANIZATION

Most of the industrial recruitment is done by the mayor himself, who travels a great deal and promotes the community. The three-year pilot program for the county is managed by an economic developer.

FUNDING

Funding each year of the three-year program includes:

- \$28,667 from the county.
- \$3000 from the 10 towns in the county.
- \$10,000 from private individuals.
- \$40,000 from the Levi Strauss Corporation.

One loan (\$225,000) and two CDBG grants (\$500,000) were received to develop the infrastructure in the industrial parks, and four of the industries in these parks got low-interest state loans totaling \$800,000. In addition, a state grant of \$150,000 was received to develop the museum; the community center received \$170,000 from the Farmers Home Administration and \$80,000 in local money; and a \$490,000 CDBG grant was received to upgrade the community's sewer system.

BENEFITS

Since 1985:

- 193 jobs created in eight new or expanded industries in the park
- 100 jobs retained in three existing industries
- An estimated \$4.2 million in payroll

CONTACT

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Development Coordinator
McNairy County Chamber of Commerce
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VIRGINIA

EVOLUTION OF A PROGRESSIVE ECONOMIC DEVELOPMENT EFFORT FROM A SOMEWHAT ISOLATED, TIGHT-KNIT RURAL COUNTY CHARLES CITY, VIRGINIA

Charles City 150 (pop.)

Charles City Cty. 6,692 (pop.)

TYPE OF SUCCESS

- Development of a high-quality, aesthetically pleasing industrial center using local, state, and federal monies
- Successful attraction of six industries employing 200 persons by the spring of 1988, less than three years since the land for the industrial park was purchased by the county

DESCRIPTION

"There is no commercial base in the county--in fact there is not even a bank."

"It was a lot to ask. The real estate tax rate had just been raised 14 percent to \$1.05, and few wanted to add another 3 cents on to future budgets. Some residents thought money should go to county schools. It was a real 'chicken or the egg' syndrome. Industry was needed to finance school improvements, utilities, and services. But unless it made a remarkable effort, the county was unlikely to attract industry."

"When we looked at our competitors, we found industrial parks either in farm fields where everything was in full view or areas that had been clear-cut to be regraded. We knew we could do better. We offer more protection to someone's investment, and this is important."

In 1984 this sparsely populated, somewhat isolated rural county had little to recommend to outside investors. The county had one of the state's highest tax rates, a school system close to losing accreditation, no interstate, limited utilities, few skilled workers, and no stores except for country grocery stores. Fire, police, and health services were limited. The 1980 census showed 25 percent of the population living below the poverty level and 80 percent of the work force employed outside the county. There were only 725 jobs.

The county's history began changing in the early 1970s. Two supporters of economic development were elected to the three-member County Board of Supervisors. The county gained experience in federal grant applications, then improved water systems and began assessing sites for industries. A planning firm prepared an economic development strategy for the county, and it recommended that the county hire a director, prepare a countywide assessment, and take advantage of industrial revenue bonds. A more progressive individual took over as chairman of the Industrial Development Authority (IDA). But the county did not get really serious about economic development until 1984. That year, a manufacturer of baseball caps approached Charles City. All three county supervisors and the county administrator came to his office and agreed to construct a building if he would move in. The company agreed. County voters approved a \$500,000 general obligation bond to develop an industrial park, and the Board applied for a \$391,000 CDBG to build a building for its first industry within the industrial center.

The county chose an unusual tactic in developing their 272-acre industrial park. Working with their new director of economic development who had a strong planning background, they decided to build an industrial

"We went out for the second bond when we realized we had to provide urban services. There was no getting around that. We had to upgrade our water system to meet demands of insurance companies for fire protection. We'll also put a firehouse within the Center. We have a volunteer fire company, and we're going to talk to our industries about having some of their workers become volunteers too."

"Our Center has been received very well by prospects. It's always one of the positives--they're impressed by that rural flavor and our interest in maintaining that."

"The lease payments almost cover the debt service incurred to build the Center."

"We've had our problems, too, no question. We had an ethanol plant and hydroponic greenhouse close up. Our first industry went into production, then met up with foreign competition and had to lay off people. Our second industry built a beautiful building, misread the market, and lost their competitive edge. But that building is under contract with another industry now."

"The one thing I would stress is to make sure the industry is fair to its workers. If we want local initiatives to pass in the future, we must be sensitive to this. Now when we have a prospect in, we kind of 'measure their worth.' We ask ourselves if they are the kind of people we would want to work for...and is this industry going to be fair to the people they employ? We check up on them too. We want companies that are going to treat Charles City people well."

park in the same way that someone would develop a residential subdivision with a strong emphasis on aesthetics. They felt that if someone were going out into a rural area, there was a value inherent in an area's ruralness that needed to be preserved. They selected property that was heavily treed and put into place covenants and restrictions that would keep as much of that treescape as possible.

The park became Roxbury Industrial Center. Because of the strong planning and forethought and the enthusiasm and commitment of the board of supervisors, the Center has become one of the most attractive parks in the area. There are three large industries in the Center, employing an estimated 25 persons. Two additional spec buildings are under construction, and another industry will break ground in the spring of 1988. Not all industries are appropriate for the Center, however, so the county is also identifying other sites as well.

TYPE OF ORGANIZATION

The Charles City County Department of Economic Development (DED) has an annual budget of \$85,000 from the county. There are two full-time staff. There is also an Economic Development Commission of 11 members whose role is to provide direction and assistance to the efforts of the department. An Industrial Development Authority provides bond financing and plays an advisory role in industrial development matters.

FUNDING

- Over \$1.1 million in CDBG monies have been received for planning and building construction.
- About \$100,000 in revenue sharing and \$810,000 in highway funds were spent on road development.
- \$1.2 million in general obligation bonds were issued for land acquisition, engineering, utilities, and fire protection.

BENEFITS

As of spring 1988:

- 200+ new jobs
- \$40,000 in annual real estate taxes
- \$117,000 payments from industries as per lease/purchase agreements

CONTACT

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Charles City County Department of Economic Development
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VIRGINIA

Nottoway 145 (pop.)
Nottoway Cty. 14,666 (pop.)

"Our timing was just right for the Commission. It was kind of like the Depression, when Roosevelt took over the government in the '30s. Everybody was so tired of being poor. I think that no matter what he would have done, he would've been successful because you can eventually get out of a depression by saying, 'I'm tired of complaining--so I'll go to work--even if it's just getting a wheelbarrow and hauling dirt.' Our whole community was ready to do whatever it took to help itself. The county was simply looking for an organization and leader to point it in the right direction."

"To help the agricultural interests, Virginia is going to have a state farmer's market concept, with one big market and five or six little markets. We'll help pass on information on this and hopefully work with local agriculture people. The cooperative extension is right across the street, and we talk with them often. For example, a man in Iowa is currently looking at Virginia to place a starch industry, using potato skins largely. We've done an analysis and documented the compatibility between tobacco soil and potato soil. We helped an egg company get started, too, and that provided a few jobs."

USING GOVERNMENT PROCUREMENTS, STRAIGHT TALK, AND VOLUNTEER LABOR TO COME OUT OF A DEPRESSION NOTTOWAY COUNTY, VIRGINIA

TYPE OF SUCCESS

- Reversal of a severe economic slide, from 14 percent unemployment to 5.4 percent unemployment
- Successful recruitment of a major corporation employing 200 persons
- Retention and expansion in six area companies

DESCRIPTION

In the early 1980s, Nottoway County was experiencing many plant closings. A shoe company employing 200 persons and a Levi Strauss facility employing 280 were two of the largest losses. There had not been a new industry in the area in 16 years. At the same time the tobacco market was waning, and the area's railroad was significantly decreasing its labor force because of the coal industry decline.

In 1985 the mayor of the largest town initiated a dinner meeting with the mayors and chamber representatives of the two other towns and the County Board of Supervisors. They decided that in order to keep the youths from leaving they needed an economic development organization. A study group was formed, and in their spare time this group spent several months looking at other communities around the state with organizations. From that study group, the Nottoway County Economic Development Commission (EDC) was formed that same year.

The EDC developed a five-year plan, with highest priority going to expanding existing industries. With the hiring of an executive director in 1986 who was a retired colonel in the U.S. military, one technique that was immediately used was to assist local firms bid on government contracts or encourage them to become subcontractors to major defense contractors. The EDC director keeps current on government procedures and visits area firms with the government forms and offers to help fill them out. Sometimes there are internal changes that can help a company become more efficient in dealing with the "quirks" of government contracting. For example, one company making women's dress shoes for all of the Armed Forces was reorganized so that only one factory line made the government shoes. If they needed to quickly speed up or slow down, they could shift people back and forth from the other lines.

"We got a good lead from the state on the North American Reiss Corporation. They had showed this guy 30 places in Virginia already! What I told him was simple--that we had some good, and some bad, and some in between, but more good than bad. I told him it was a good community--people would work--and that he would always get an hour's work for an hour's pay. I sent him to lots of existing industries, figuring that most of them would say good things. I let him go on his own and that worked well. We sat down over lunch, and I took a legal pad and wrote down what we'd do--we'd give him nothing free and he'd be a good citizen--and he liked it and has been very pleased. I told him we could get a good deal on industrial development bonds under a state umbrella--he looked at me and said, 'Maynard, if I can't pay my way, I won't come, I don't want any breaks.' I told him he was the very man I'd been looking for."

"One thing has been especially important to our success. In our organization, the director can make the bargain and everybody will agree to it. You have to have a true one-stop shop."

"You hope to protect the interests of the industries you have...but also recognize that if you're going to improve the quality of life, you hope that they would begin to pay more to get better people. That's what brings up the quality of life. There are so many places in the South where the wage scale is terribly low. We were not an exception and still aren't. But we're sure working on it."

Local volunteers have built a loading dock and rewired a building for one company; provided the lumber and fabricated 50 large material storage bins for another company; and donated time, money, and materials to paint and fix up a building for a third.

Over a remarkably short period of one year, the following occurred:

- North American Reiss Corporation built a 100,000-square-foot facility employing 200 persons.
- A shoe company was reopened, employing 225 persons.
- Five businesses expanded from 210 to 470 persons.

The EDC also worked to expand poultry operations and to start a farm co-op. A state farmer's market concept evolved from the co-op efforts.

The EDC is now working with area high schools to encourage those students who are not going to college to go into technical training programs and learn the skills relevant to the types of businesses that are in the county. They are also working with the vocational schools to make sure they are training in skills that are in demand.

TYPE OF ORGANIZATION

The Nottoway County EDC is composed of seven members. Two are selected from the County Board of Supervisors; there is one member from each of the three supporting towns and two members appointed by the board of supervisors as members at large. Staff include a full-time executive director and a secretary.

FUNDING

Funding for the Commission comes from both the county (80 percent) and the three towns (80 percent) of Blackstone, Crew, and Burkville. Funding from the towns is based upon their population size. The annual budget is about \$53,000. The commission has not needed to use financial assistance for any of the expansions that have occurred.

BENEFITS

- Between 1986 and 1987, an estimated 700 jobs were created by new or expanded businesses.

CONTACT

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WASHINGTON

INTERNATIONAL RECRUITING: DISMANTLING, SHIPPING, AND REASSEMBLING AN ENTIRE FACTORY FROM DUBLIN, IRELAND EPHRATA, WASHINGTON

Ephrata 5,359 (pop.)

Grant Cty. 48,522 (pop.)

TYPE OF SUCCESS

- Brought a large manufacturing company from Ireland to the community

DESCRIPTION

"You can spend lots of money promoting, then still get a good lead through a quirk of fate. In our case, Mr. Webster happened to have a friend in Seattle, who mentioned to his attorney that he knew of a company in Ireland wanting to move. This attorney had grown up in Ephrata, so he contacted us."

"We have very low electricity rates here--we pay about a penny per kilowatt hour while in Ireland they pay 18 cents. We had a building available that was the right size. Mr. Webster had actually grown up in South Africa, and our area reminded him of that country. All in all, he liked what he saw."

"The biggest problem we had was trying to get bank financing. Here we were with a product being made in Dublin, Ireland, with \$3-\$4 million worth of equipment 10,000 miles away supposedly able to be shipped to Ephrata. Nobody knew what the equipment looked like...or if it was even there. So to go in and ask a bank for \$1 million on a project as wild as this one...there's a lot of gamble involved!"

Ephrata is in central Washington on the northern fringe of a large agricultural area. The community has traditionally had government-oriented employment, with very little industrial base. The area enjoys the lowest electric rates in the United States because of the extensive hydroelectric development along the Columbia River. Ephrata's economy has been relatively stable but very sluggish.

In 1984 the Port District of Grant County, the area's economic development organization, came in contact with Mr. Desmond Webster of Webster Hardware International of Dublin, Ireland, when the Port learned that Mr. Webster was contemplating moving his firm from Ireland to the United States. Upon invitation, Mr. Webster visited Ephrata to inspect a potential plant site. Shortly thereafter, he indicated his interest in relocating his plant to Ephrata because he felt the Port site and the community of Ephrata met his requirements.

The project entailed accomplishing many things, i.e., the dismantling, shipping, and reassembling of an entire factory from Dublin to Ephrata and the assembling of a proper financial package that would make such a move feasible. The Port assigned a full-time industrial development representative to Mr. Webster's project. The Port dedicated two full years to successful culmination of the project.

Webster Hardware Corporation now occupies a 46,000-square-foot building at the Port of Ephrata. In April 1987 employee training began. By the end of 1987, the employment number had risen to 35. Within two years it is foreseeable that the employment number could escalate to as many as 100 employees.

"I think we could do it again with another project, and in half the time, because we wasted a lot of time running down dead alleys. We really got misled by one bank in Seattle. They dragged us on for five months...and they weren't actually even working on our project. They almost killed the whole thing. In our naivete we didn't recognize what was happening. Now we could tell pretty quickly whether or not someone was actually working on our project."

"Also, we spun our wheels with some venture capitalists. We call them vulture capitalists--the guys who wanted to loan us \$1 million and wanted \$4 million in return. It always took us a while, but we'd figure out the bottom line--that we'd be broke before we got started."

"Probably we could have been better prepared. For example, we had this great business plan prepared by an Irish accountant, but it was so different from the way we do it in this country that bankers couldn't even understand it. We had to take all that work and have it redone American style--and we lost a lot of time there."

"One person at the Department of Trade told me later that they never thought we'd really put it together. A lot of people were amazed at the work we did and the fact that we largely did it ourselves. If we hadn't done it our own way, it never would have happened."

TYPE OF ORGANIZATION

In the State of Washington, Port districts are created as special-purpose "municipal corporations" of the state. Port district functions include providing:

- Facilities for land, water, and air terminals.
- Capital improvements for industrial and manufacturing activities.
- Comprehensive plans for the district.
- Foreign trade zones.

Port districts may levy property taxes and sell bonds. Their most important source of revenue is fees and charges applied to user groups.

FUNDING

Some of the financial incentives offered to Webster Hardware included:

- An economic revitalization loan for \$392,217 from the Washington Department of Trade and Economic Development to the Port of Ephrata.
- Nonlocal private bank financing for \$1 million.
- A job training grant from the State Commission for Vocational Education Training.
- A wage and salary matching grant for up to eight months of employment from the Private Industry Council.
- Job training assistance from Big Bend College and the Washington State Employment Security Department worth about \$140,000.
- A secondary financial package through the U.S. Small Business Administration for \$500,000.
- A limited offer sale of \$471,000 in stock.
- A three-year tax deferment program from the State Department of Revenue worth about \$200,000.

BENEFITS

From Webster Hardware:

- Currently 35 new jobs have been created, for an estimated payroll of \$600,000. All of the people hired have come from within about a 20-mile radius of Ephrata.
- Annual public revenues of \$35,000 in property tax, \$5,000 in leasehold tax, and \$42,000 in rental to the Port District.

CONTACT

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WISCONSIN

A COMPREHENSIVE DEVELOPMENT STRATEGY EVANSVILLE, WISCONSIN

Evansville 2,835 (pop.)

Rock Cty. 139,420 (pop.)

"Our economy had always been dependent on the large General Motors plant located 15 miles away and two large manufacturers. We needed to diversify, and we wanted to grow, fill our vacant buildings, revitalize our downtown...The comprehensive strategy we developed enabled diverse groups in the community to participate in a coordinated fashion. With a shared work load, our volunteer organizations were not overburdened."

"The county took the lead role in getting us going. The county extension agent led us in several goal-setting meetings, and from those meetings an Economic Development Committee was formed."

"Our downtown revitalization study was done by three graduate students two years ago, and last year another one was done by a professor and his landscape architecture class from the University of Wisconsin. Each student took a building and, working from a photograph, made suggestions on how it could be improved. Their latest project is to try to determine what business is needed in town the most, with the idea of turning that into a market study and trying to recruit a business to come here."

TYPE OF SUCCESS

- Developed an industrial park
- Implemented a business retention program and a downtown revitalization plan
- Attracted three new firms employing 125 people
- Obtained over \$690,000 in federal grants to convert two vacant, historic structures into housing units
- Participated in a county government procurement project

DESCRIPTION

Beginning in 1984, the City of Evansville began a comprehensive economic development strategy that evolved out of a Community Economic Analysis Program conducted by the University of Wisconsin-Extension. The thrust of the strategy was use specific committees to (1) position the city to attract new firms, (2) retain and expand existing businesses, (3) revitalize the downtown, and (4) attract monies from state and federal governments.

An Economic Development Committee was organized, and it focused early efforts on the completion of the city's industrial park. Roads, sewers, and water were put into place using a loan from the Wisconsin Trust Fund. A new profile was prepared, and the city began to market through the Wisconsin Department of Development and the local utility company. To date, three firms have been added, creating 125 new jobs. Two of the firms were local expansions; the third was a trucking firm that wanted to set up a regional center.

For the business retention program, manufacturing industries and downtown businesses were surveyed. Where problems were identified, the Committee made a strong effort to solve them. For example, a metal fabricator needed more skilled welders, so the Committee arranged for the Vo-Technical Center to develop a specialized training program.

For the downtown program the community approached the University of Wisconsin-Madison Department of Landscape Architecture to develop a streetscape design. Local bankers agreed to provide incentive financing for storefront renovation. To date, three storefronts have been improved, and local fund raising has put street banners and flower boxes downtown.

"We had to learn to be patient. Our initial enthusiasm waned a little before we saw success. We have learned to invest our energy today and are confident that successes will follow in the future. We have also found that economic development requires the consistent commitment and support of the local government. All major development projects must come before the government for approvals. In addition, many projects will require public participation to close financing gaps. Utilizing federal and state development programs helped, but it required considerable study and commitment from our elected officials. Without this consistent support, we could not have achieved what we did."

"We're going to follow up with a mini retention survey soon. It makes the business leaders aware that city government is concerned about their problems."

"We've had a lot of success working with our county planner and our County Extension Service. They serve on our Economic Development Committee, come to our meetings, and give us advice. Evansville has had the most active economic development program of any community in the county."

"We have found that marketing our success has fostered a positive community attitude and built momentum into our program. Our community spirit has improved, and we present a much more positive climate for business investment. Telling our story in our regional media has attracted attention and added to our success."

With the aid of the county planning department, HoDAG (Housing Development Action Grant) and CDBG monies were secured to help renovate two historic, vacant structures into 48 housing units. In addition, local manufacturers became better informed about a Rock County Government Procurement Project that links local manufacturers with federal purchasing agents. Two local industries have received small federal contracts.

Perhaps most important, the working partnership between local government, the Chamber of Commerce, the Development Committee, the University of Wisconsin, and the business community has rejuvenated community spirit in support of comprehensive economic development.

TYPE OF ORGANIZATION

The Economic Development Committee is a standing committee of the city council. It consists of two council members and five citizen members, all appointed by the mayor. There are also two county advisors--the county planner and the University of Wisconsin extension agent. The Committee meets monthly to monitor progress.

Downtown revitalization efforts are spearheaded by the Chamber of Commerce and an ad hoc subcommittee. The city council took the lead in attracting development grants from the state and federal governments, with technical assistance from the county.

FUNDING

Most of the work has come from volunteers. The Committee receives \$2000 from the city council, and ad hoc committee activities have been supported by about \$3000 in community-raised funds. HoDAG and CDBG grants were received for \$420,000 and \$270,000, respectively. Street improvements to the industrial park were \$370,000 through a loan from the State. In addition, Wisconsin Power and Light Company contributed \$1500 to help finance the Streetscape Design, and the value of University of Wisconsin-Extension Design work was over \$25,000.

BENEFITS

- Jobs created: 125
- Jobs retained: 11 firms with over 600 employees participating in the Retention Survey
- Payroll increase: \$2.135 million
- Tax base increase: \$2.028 million

CONTACT

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WISCONSIN

THE REBIRTH OF A SWISS VILLAGE NEW GLARUS, WISCONSIN

New Glarus 1,800 (pop.)

Green Cty. 30,000 (pop.)

TYPE OF SUCCESS

- Development of an attractive and cohesive downtown area
- Extensive addition to the local economy through tourism
- Burgeoning growth in the retirement sector

DESCRIPTION

"A community needs to find out what's unique about its area and then market that uniqueness. New Glarus was founded by the only colony officially sanctioned by the Swiss government."

In the early 1960s New Glarus, a village of some 1800 persons southwest of Madison, faced the loss of jobs and markets when its Pet Milk plant closed. Assessing their resources, community leaders determined to capitalize on their Old World Swiss heritage in a setting lending itself to tourism development. Some of the elements already in place included a Swiss-design restaurant and tavern, the house of a local founding father in use as a cultural museum, and the Wilhelm Tell Drama, an annual performance by the village for the last 50 years.

Successful marketing of the historic Swiss character of the town started in the late sixties. The first structure to be completely rebuilt with the Swiss theme was a local bank. The renovation of other local businesses followed, and today New Glarus's downtown resembles a Swiss village. Ethnic events extend from June through October. Natural resources include the popular Sugar River Trail, a hiking and biking trail that begins at the railroad depot.

"There's still a lot to be done in New Glarus. We plan to incorporate demonstrations and chautauqua-type festivals into our historical village in the near future so that the place has life and appeal beyond just enjoying the historical aspects of it."

The entire community has been involved in the effort. Each year tourism plays an increasingly important role, as more restaurants, shops, and other businesses that cater to tourist traffic grow. While the town's basic economy of agriculture and clothing continues, tourism has added dramatically to overall gross receipts, profits, and employment.

Retirement is also an increasingly important part of the local economy. Ten years ago the town put in a successful bid for what is now referred to as the New Glarus Home.

TYPE OF ORGANIZATION

The New Glarus Tourism Advertising Program (NEWTAP), an advertising co-op, is a subsidiary of the Chamber of Commerce.

FUNDING

"The New Glarus Home has been marvelously beneficial to us. They are the town's second largest employer, and recently they added apartment-type units as well. They are energy-efficient, and most of the tenants are from the Chicago area. Here retirement living is at least one-fifth to one-tenth of the cost that it would be in a large metropolitan area."

Advertising in the village brochure generates roughly \$35,000 in revenue. This income pays for the preparation of the brochure, consulting, staff for an information booth, direct marketing of the town, preparation of a marketing video, and some funds for physical upkeep, landscaping, etc., in the area of the information booth.

The only public expenditures in support of the economic development effort have been about \$50,000 to develop some parking facilities.

BENEFITS

Estimates are that New Glarus has added approximately one business a year for the last several years, each employing one to two people full time and one to two people part time.

CONTACT

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New Glarus Tourism
Advertising Program
501 First Street
New Glarus, Wisconsin 53574
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WISCONSIN

BUSINESS RETENTION AND NEW STARTS THROUGH FINANCIAL PACKAGING OCONTO COUNTY, WISCONSIN

Oconto 4,330 (pop.)
Oconto Cty. 30,200 (pop.)

TYPE OF SUCCESS

Revived an inactive Economic Development Corporation to generate financial assistance for local businesses

DESCRIPTION

"Economic development is a process, not a project. If the people responsible for economic or community development think their job is over when the industrial park roads are paved, get them off the committee."

"Because it is a process, it's sometimes difficult to see tangible results in the first year."

"We are in contact with the University of Wisconsin extension resource agent weekly. He handles a lot of work with businesses from an educational standpoint. Then we take over with the financing and development."

"You're not alone here. An economic development office isn't going to be able to accomplish much of anything without the cooperation of just about everybody that's out there."

In 1984, when the unemployment rate in Oconto County was close to 15 percent, a local hardwood veneer manufacturer was in bankruptcy and near closing. Many of the production workers were more likely to add to the labor surplus than they were to find employment if the plant shut down. Alternatives to keep the plant open were desperately needed.

The Oconto County Economic Development Corporation (OCEDC) had, for various political reasons, been inactive for four years. But subsequent to a meeting among local commissioners, lenders, and the affected company, OCEDC agreed to donate most of its remaining funds to the cause. About \$1500 was used by the employees of the company to obtain legal advice in their attempt to form an employee stock ownership plan to salvage the operation. The county began to explore possibilities for federal assistance. A regional planning commission formulated the initial application materials, and the county paid for the market and management studies that were required.

While these studies were being conducted, civic leaders began to generate an interest in reinstating OCEDC for grant writing and administration. Each incorporated municipality, as well as the county and unincorporated areas, committed to funding the OCEDC. As a result, \$34,600 was raised the first year to fund the nonprofit organization.

The new director of OCEDC, who was hired in February 1985, began to actively pursue EDA and CDBG assistance with help from the county extension resource agent. That same year the county received \$800,000 from EDA and a \$600,000 CDBG. These funds were then loaned to the employees of the faltering company to purchase the assets of its bankrupt predecessor. As the successful new employee-owned company repays the loan, the funds are recycled as a revolving loan fund.

"Our financial packages have forced some cooperation between units of government--state, counties, cities--that might have otherwise taken a lot longer if all they did was meet and talk. But because they had these projects and threatened increases in unemployment as a motivating factor, they all felt something in common--jobs."

"There isn't any project we've done, from the smallest loan to the largest package, that hasn't involved at least 10 agencies--local units of government, banks, customers, the vocational school, the utility companies, SBA, and others."

"During the first year, for every dollar that local units of government put into OCEDC's budget, the organization generated \$57. That figure is now \$98."

"You have to make a decision that you will have an impact and that you will work to get something done. If there isn't a commitment on the part of the local elected officials, businesses, whatever, you won't be successful."

Creative financial packaging has continued to be the cornerstone of OCEDC's assistance. In three years it has packaged over \$12 million in public and private funds that have aided almost 30 local businesses. For example, when closure was imminent for one of the top five employers in the area, OCEDC was successful in its application for a \$710,000 CDBG for a low-interest loan to the company. However, these funds were only part of a \$5.7 million financial package that OCEDC put together. Financial commitments were also obtained from various other sources--the company's customers, Sears World Trade, a state venture capital group, a local bank, and SBA.

TYPE OF ORGANIZATION

OCEDC is a nonprofit, tax-exempt corporation with a staff of two. The director reports to a board of directors composed of seven local businesspeople.

FUNDING

Each incorporated municipality contributes \$2 per capita. The county and unincorporated areas contribute \$1.50 and \$0.50 per capita, respectively. As administration funds are received from successful grant applications, the local contributions are proportionately reduced. The annual budget has grown from \$34,600 in the first year to \$88,000 in 1987.

BENEFITS

- Over \$12 million in financial packages to assist private businesses
- Retention of two manufacturers that would have otherwise closed and financial and management assistance that has strengthened the financial position of over 20 others
- Retention/creation of 682 jobs
- Reduction in the county unemployment rate from almost 15 percent to 7 percent in three years

CONTACT

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GEORGIA

COUNTYWIDE ECONOMIC DEVELOPMENT PROGRAMS LUMPKIN COUNTY, GEORGIA

Dahlonega 2,844 (pop.)

Lumpkin Cty. 10,762 (pop.)

TYPE OF SUCCESS

Industrial recruitment, downtown revitalization, tourism and leadership development, and human resource development

DESCRIPTION

"If there was a key event in the life of the community, it was when local leaders promoted a total revitalization of our historic square. All the power lines were put underground, the traffic flow and the sidewalks were redesigned, storefronts were restored to 19th century appearance, and city zoning was put into place...it was what really made Dahlonega different and attractive. In fact, the building I'm in now was once a gas station--now it's the Welcome Center and the Chamber office."

"We're trying to be as intelligently aggressive as we can. Next year we're entering into a cooperative agreement with the state for marketing. We're now waiting for a regional report on the most likely industries for our area."

"I think it's essential to make the education link if a community wants to develop economically. If it doesn't develop its own human resources, it's just not going to go. You can have all the industrial parks and roads and sewers that you want, but if you don't have the attitudes, skills, and orientation to supply a quality labor force, you're not going to go anywhere."

Lumpkin County is in the Appalachian Mountains but only 75 miles from Atlanta. The area has a history of being isolated and inaccessible, with low per capita incomes and educational attainment. About 45 percent of the labor force works outside of the county, a fact that reflects the lack of opportunity at home.

Nevertheless, a spirit of community involvement has allowed this area to pursue a long-term economic development effort. The effort began in the early '70s, when local leaders worked to revitalize downtown Dahlonega to attract more tourists. Today the 1836 courthouse on the square is a gold museum. The 19th century buildings on the square are on the National Register, and tourism has emerged as a major industry, building on both the history of the area and the natural beauty of the mountains. The Chamber of Commerce plans to build on their tourism program and has contracted for a study to provide data on sales, income, employment, taxes, and other impacts from travel and tourism.

In 1985 the city, county, Chamber of Commerce, the Development Authority of Lumpkin County, and the Extension Service all cooperated in a countywide economic planning effort that identified goals in several areas including industrial recruitment and expansion, commercial and downtown development, tourism, agribusiness, and education. Within only a year, much had been accomplished. For example, in one area--industrial recruitment and expansion--a committee surveyed existing firms to determine needs, plans, possible support services, and firms to target for location in the county's two industrial parks. They oversaw the development of industrial sites and prepared a market plan. One park now has a 40,000-square-foot industrial spec building that was financed through a cooperative effort between the private developer, the Authority, and a local bank.

"We know we've been lucky in the past to have the leadership we've had, but we can't rely on luck in the future. We'll need to develop well-informed and committed leaders to carry the ball."

"Cooperation between our local governments and private industry is still our strongest selling point. The city and county have a long history of cooperation due to the consolidation of functions--e.g., joint contracts for law enforcement, fire protection, parks and recreation, small public transportation system, and joint ownership of public buildings."

"Many of the individuals who have been active here over the years were in the area because of the North Georgia College. This four-year military college continues to be a mainstay for the community. It also provides a certain cosmopolitan influence that is unique for a small town in Georgia. It has been the kind of institution that has caused leadership to be developed here over a number of years."

Two noteworthy and innovative programs currently under way are the Business-Education Partnership and the Local Leadership Development Program. The Business-Education Partnership is an effort to get local educators talking with local employers. The top executives of major employers and school administrators meet regularly to discuss school system needs and local employers' concerns for available workers. One result has been a survey of the community to find resources available for teachers to supplement classroom work.

The Local Leadership Development Program trains young people between the ages of 25 and 45 who have potential leadership skills. The training sessions focus on different aspects of the community--economic development, health and human services, education, quality of life issues, and the notion of leadership and group decision making.

TYPE OF ORGANIZATION

The Development Authority of Lumpkin County and the Dahlonega-Lumpkin County Chamber of Commerce are equal partners in the economic development strategy. The Authority is primarily responsible for managing the two industrial parks, maintaining accurate marketing information, and organizing response to business and industrial leads. The Chamber maintains economic development as one of its four program areas and has programs on leadership development, human resources development, tourism, and retail development.

FUNDING

The County Development Authority has a budget of \$93,000, of which the county contributes approximately \$76,000 and the Chamber contributes \$17,000. The Chamber's annual budget is \$64,000, of which \$25,000 comes from membership, \$15,000 from the City of Dahlonega (from 3 percent hotel/motel city tax), about \$10,000 from interest income, and the rest from miscellaneous income sources.

BENEFITS

Long-term commitment to economic development and grassroots support for leadership development

CONTACT

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KENTUCKY

PROBLEM SOLVING IN A VERY RURAL AREA LESLIE COUNTY, KENTUCKY

Hayden 550 (pop.)

Leslie Cty. 14,882 (pop.)

TYPE OF SUCCESS

- Involved community in identifying issues and working on solutions
- Improved overall quality of life in an isolated county

DESCRIPTION

"When you do not have a local Chamber of Commerce or an organized group to promote improvements, many opportunities are lost. Pressing needs are often ignored. Our solution was to establish this group."

"Even though our area is still remote, people want to stay here. Some left when the mines were not keeping full employment, but with the upturn in the mid-'70s our population went from about 11,000 back up to near 15,000. People came back when jobs were available."

"If you have a good cause, hang in there. Don't give up even if it takes several years. Our fire department effort was almost three years of work."

Leslie County is a rural mountain county with a dispersed population. Coal mining has been the major employment opportunity. Some 25 years ago a number of pressing social needs in this isolated county were causing community leaders grave concern. The County Extension Service became involved with efforts to resolve these problems, and with the interest of four or five local leaders the Leslie County Development Association was born.

Over the years the Association has taken the role of a community development advocate. The first successful project was the paving of an 11-mile road between two area lakes. This achievement allowed tourism to expand, and today a local transient tax provides funds for brochures and advertising in regional travel guides. A second project brought safe water to over 60 percent of the county's population. The Association provided the forum for discussion and sustained the effort to secure this public water system.

Other issues over the years in which the Association has played a pivotal role have been:

- A volunteer fire department with professional equipment and emergency service capability.
- Passage of a health tax to help fund a new health building.
- Local support and fund raising for a modern hospital.
- An annual fall festival for the past 20 years.
- An escape ramp for a dangerous hill.
- A public library.
- A solid waste system.

Currently the Association is working on projects (1) for a bypass to allow people in a remote area to exit when flooding occurs and (2) for improved educational attainment in the area.

"While we may provide funds for a project or make plans to seek funds at a meeting, soliciting members for money at a meeting is discouraged. Our meetings are for discussion, and we want people to participate. Negative attacks on officials and leaders are discouraged. A positive approach toward problem solving is the accepted procedure."

"First, make sure there is a valid need with benefits for a large number of people. Collect data, statistics, figures to back up the need."

"Let the city and county administrators take the lead and the credit for a project. Persevere. Hang on to the issue until it is accomplished or determined to be hopelessly impossible at the time."

"Drawing on all levels of government leadership, along with local people, we have accomplished major improvements in the county standard of living."

"Our county development group was honored in 1986 with a USDA award for being a persuasive force for rural community development and improvements in Leslie County since 1962. We continue this effort."

Keys to the effectiveness of this group have been the ability to identify an issue critical to a large part of the county's population, the willingness to spend time building support for a project to resolve the issue, and the resolve to confront whatever agency holds the authority for resolving the issue. County officials and decision makers have provided the channel for actual projects, with the development association providing the ideas and building the support that prompts a decision.

TYPE OF ORGANIZATION

The Leslie County Development Association is an informal organization with 23 members. Meetings are open and are held twice monthly; anyone in attendance may vote.

FUNDING

- The Association's dues are voluntary and are \$2 for individuals and \$5 for businesses. If funds are needed for a specific issue, there may be contributions sought.
- Tourism efforts receive \$1500 per year from a 3 percent transient tax. This money goes to the Leslie County Tourism Commission to maintain a billboard on the Daniel Boone Parkway and to develop brochures and a video program on the county.
- Public expenditures for major investments in the community have included:

	Initial Cost Capital	Annual Cost Operation
Water system	\$3,500,000	\$ 60,000
Solid waste system	260,000	150,000
Ambulance system	50,000	80,000
Library	150,000	80,000

BENEFITS

- An open process for discussing and finding solutions to rural community development problems
- Successful completion of a number of projects: water system, solid waste system, ambulance service, fire department, library, road improvements
- Improved quality of life for residents

CONTACT

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MINNESOTA

ETHNIC HERITAGE FOCUS FOR DEVELOPMENT OF COTTAGE INDUSTRIES AND TOURISM EMBARRASS, MINNESOTA

Embarrass 975 (pop.)

St. Louis Cty. 222,229 (pop.)

"When the field representative from the National Trust for Historic Preservation came to town, we had a craft display, Finnish foods, music, and residents in costume in one of the rooms of the old school as the last place on our tour. It was an example of a living museum--what we hoped to do. We put a lot of effort into it and had a lot of fun. We also really impressed them with our enthusiasm and hard work."

"Being encouraged to look at our community with fresh eyes...to take pride in who we were was a real turning point. We started to focus on what we really have."

"After receiving the first grant, we gained confidence. We started exploring other groups that might offer assistance, and we began to apply for other grants. We knew we had something that might attract funds."

"A crew from public television came and filmed our first Finnish Festival. We had craft displays, foods, townspeople in Finnish dress, and over 2000 people came. We fed 1275 people with a potluck effort. There were no charges for anything. We know that we can expand on this...it was a tremendous success."

TYPE OF SUCCESS

- Used outside resources to support local initiatives
- Renewed community pride and enthusiasm; grantsmanship

DESCRIPTION

This small community found new energy through turning inward and drawing on its rich heritage to spur interest in economic recovery. A loss of confidence pervaded the community after the closing of the mine that provided primary employment for the area. The local school was closed, and all students had to attend school in a neighboring community. The fear of continued population loss pervaded the community.

A turning point came when the Embarrass town clerk was enrolled in a grant writing seminar. One of the assignments was to prepare a fictitious grant application. The abandoned school and its reuse was selected as the topic, and this set the stage for a series of actions. The seminar instructor felt the application had actual development potential. When the Babbitt-Embarrass Area Development Association formed a committee, Project 70, to explore ideas for development in Embarrass, the reuse of the abandoned school was one topic. The city council supported the idea, and the Project 70 group obtained funds for reuse feasibility studies from the Blandin Foundation, the National Trust for Historic Preservation, and the Iron Range Resources and Rehabilitation Board.

As a result of the contact with the National Trust, the Preservation Advisory Services Team (a service of the National Trust) visited the community, reviewed community assets, interviewed residents, and helped the community develop a comprehensive plan. This plan centered on utilizing the unique Finnish heritage of the community. An organization then formed (SISU, which is Finnish for courage), and this group is working in four task forces including building restoration and Finnish cottage industries. The community purchased a 112-acre site adjacent to the school building. This farm property has an old three-story boarding house, a log sauna, and other buildings. The town intends to develop this site as the Heritage Center. Additional land that has been offered would expand the tract and would allow the development of a "living museum" experience.

"An Embarrass couple won the Minnesota Entrepreneur of the Year Award last year. They have built a thriving business that started with their sons' 4-H project of sheep. From the sheep, shearing, then wool, then yarn, and learning to dye...and then designing patterns for sweaters and finally a kit that has turned into a large mail-order business. For the 'ready-made' sweaters, about 50 women are knitting now."

"With some funds that came through one of our grants, we are sending four or five people to a seminar on entrepreneurship. We are also researching craft co-ops."

"Younger families are moving into some of the old homesteads and are catching the vision. They are restoring the houses back to the original log dwellings...stripping off the facades that had been put over the original buildings. It is exciting!"

"We have people who know how to build cedar strip canoes; some sell for \$2000. We are exploring how to turn this into a mini-factory and 'grow' another business."

"We now have more ideas and enthusiasm than we have time. Things have really begun to turn around in our town."

An inventory of all of the historical buildings in the area is being undertaken, funded by grants from the State Historical Society and the Blandin Foundation. The Governor's Design Team, which provides assistance to towns in renovation and in architectural concepts, has been approached for assistance. Cottage industries are being explored with the Voyager Project, which provides assistance in marketing local products. The community also hopes to link up with Northeast Minnesota Initiative, which helps new businesses. With the focus on its ethnic heritage, the town has moved toward concrete plans to develop tourism and craft industries.

The town has also been designated as an UNCOMMON PLACE through the submission of local slides, primarily of area buildings, to Eastman Kodak. This designation, one of only 16 in the United States, has drawn photographers to the area from around the country. The *Flying Finn* newsletter was started to inform the community about ongoing development efforts. This newsletter won the Minnesota Community Award for Media in October 1987.

TYPE OF ORGANIZATION

Volunteer community-based organization with four task forces: membership, bed and breakfast, building restoration, and Finnish cottage industries

FUNDING

- Membership dues at \$5 per person (\$1000 raised in the first year; includes some larger donations)
- Grants: \$20,000 from the Blandin Foundation for planning and marketing; \$10,000 from the State Historical Society for inventory and survey of buildings; \$3000 from the National Trust for Historic Preservation; and \$3000 from the Iron Range Resources and Rehabilitation Board

BENEFITS

- Restoration of community pride and increasing interest in developing cottage industries
- Funding for planning and marketing
- Renovation on private residences; restoration emphasis because of heightened awareness
- National recognition

CONTACT

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Embarrass, Minnesota 55732
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MISSOURI

INDUSTRIAL PARK DEVELOPMENT WITH LOCATION IN ENTERPRISE ZONE BUTLER, MISSOURI

Butler 4,107 (pop.)
Bates Cty. 15,873 (pop.)

TYPE OF SUCCESS

- Developed a 52-acre industrial park in a 594-acre enterprise zone
- Located a new company in a building that had been vacant for four years
- Passed a 1 cent sales tax with 1/2 cent earmarked for industrial development

DESCRIPTION

"You need to keep communication open when you have two groups working together. Common courtesy in sharing timely information will help you avoid difficulties."

"It is important to have a full- or part-time developer to follow up on leads. Our method of a part-time 'home town' retired former businessperson may be the answer for other small communities with limited funds."

"Don't be afraid to approach out-of-town owners of buildings that are no longer in use. Together you may figure out a solution that makes everyone a winner."

While Butler had not yet experienced a serious economic crisis, the county's economic base has long been primarily tied to agriculture and local leaders believed it was time to diversify. A former mayor and several civic leaders, along with current city officials, sparked the effort that resulted in the establishment of the Butler Marketing Commission several years ago. Funding needs were met when voters approved a sales tax increase of 1 cent with one-half dedicated to industrial development. In a time when many communities cannot pass any tax increases, Butler residents passed a tax that now brings about \$100,000 annually to development efforts.

The Commission hired a part-time industrial development specialist and also completed development of its 52-acre industrial park site. As an incentive to prospects, one free acre of land in the industrial park is offered to any company for every 10 jobs created through the location. After two unsuccessful applications, an enterprise zone of 594 acres was designated by the state. Although no company has located directly in the park, several locations and expansions have taken place in the enterprise zone.

One recent example of the community's aggressive approach came when the mayor, city council, and the Commission took on the problem of a vacant commercial building that had become quite an eyesore in the community. The Commission decided to present the problem to the building's owner. Letters were written to the owner informing him that the building needed repair and was being vandalized. The owner was also made aware of tax benefits that would be possible if the property were deeded to the city. The owner agreed to come to Butler to discuss the situation. The result was that the city acquired the building, the former owner received a tax break, and a former "blight" in the community was renovated by the city. A prior lead resulted in contacting an entrepreneur who brought the management

"The key to getting a new industry was having a building that could be made available. Prospects don't want to have to wait until you build one."

"Work with the state in its efforts to develop leads. Help get people interested in the state. The state officials will know you are assisting, and this has positive results for your town--both in gaining experience and in obtaining leads on your own."

team of an out-of-state architectural hardwood moulding company into the renovated building. The new business owner will buy the property back in 10 years at a reasonable interest rate. The company will employ 25 persons initially and may grow to 100 employees in the next several years.

TYPE OF ORGANIZATION

The Butler Marketing Commission is an advisory arm of the city council. Although the council has all the legal authority, the Commission handles the day-to-day industrial development activities. The Commission has a part-time industrial developer on staff and is housed in the Chamber of Commerce office, which donates support staff. The 13 Commission members include the mayor, city administrator, former mayor, representatives from the Chamber, and business leaders from the community, the industrial park board, and the industrial authority.

FUNDING

Receipts from the sales tax earmarked for development provide \$100,000 annually. The funds are invested, and interest has been accumulating to use for financial assistance in the industrial park when prospects are located. A speculative building is also being considered.

BENEFITS

- Industrial development planned and financed from a local initiative
- Citizen involvement and continuing knowledge of development efforts through the sales tax effort and the reports on the use of the tax
- Work with the state and other communities for joint efforts on prospecting trips
- A planned approach to development prior to a crisis
- Projected employment of 25 in a new business and estimated 10 new jobs from local expansions

CONTACT

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Butler Marketing Commission
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NEW MEXICO

RETREATS, REVITALIZATION, AND THE REORGANIZATION OF A COMMUNITY'S ECONOMIC DEVELOPMENT EFFORTS RATON, NEW MEXICO

Raton 8,225 (pop.)

Colvey Cty. 13,700 (pop.)

TYPE OF SUCCESS

- Developed successful leadership that led to communitywide reorganization
- Renewed sense of purpose, commitment, and enthusiasm in the community

DESCRIPTION

Tourists and miners form the economic base of this historic frontier town, which was a major stop on the Santa Fe Trail.

Several years ago, Raton's largest employer, a coal mine, began a period of shutdowns and reopenings that raised the concern of local leaders. The area's economic health had always varied drastically in response to the mine. The city manager suggested the Chamber of Commerce contact the Cooperative Extension Service (CES) at New Mexico State University.

Using CES assistance, economic development workshops were conducted in 1983-1984. The town was recognized as a Main Street community by the National Main Street Center in 1984 through the assistance of CES. Raton was then designated in 1985 as a pilot site for small business workshops funded by a grant from the Western Rural Development Center. Working with a steering committee of Raton businesses and community leaders, CES specialists developed a series of workshops aimed at managers and employees of small businesses. Because it was part of the pilot program, research was done on Raton consumer and business attitudes and needs and the trade area capture rate.

In the fall of 1986 Raton community and business leaders met for a three-day strategic planning workshop. There were many significant outcomes of this retreat. Together, participants came to view economic development as a broader concept than industrial development. They also saw that more effective utilization of their existing resources--such as tourism and commercial development--would need to be key building blocks in their future. It was also agreed that a significant obstacle to economic development in Raton was that four organizations--the Chamber of Commerce, the Main Street Program, the Downtown Raton Business Association, and a Motel Association--had similar goals and that a single organization would have a much higher probability for success in economic development.

"The workshops were critical--they brought a whole new understanding and awareness to many people. And those who understood earlier now had enough people behind them to get something done."

"To succeed, it is essential to have a few people who have the talents and skills required to cause change and who are willing to donate the time required."

"The reorganization has not been without controversy, but generally those who are most concerned with the community's long-term economic stability have been supportive."

"One of the most important keys to success is good communication. And you must remember, change takes time. You can't move a community faster than it is ready to move."

"We have a number of tourism resources here. We're on the interstate, and we have one of the most intact historic districts adjacent to a railroad that exists in the United States, with 70 buildings in very good original condition. We also have a state park, a ski area, a racetrack, a National Rifle Association facility, and a nearby Boy Scout ranch. We see tourism as one of our major strategies."

A new organization, the Raton Chamber and Economic Development Council, was formed in November 1986 to provide a fresh start to the city's economic development efforts. New committees were established to address marketing and tourism, finance, community education, city planning and beautification, and retail promotion/special events as well as economic development. Emphasis has been placed on recruiting board members who are strong "team players," based on the belief that the success of the new organization will require a team approach above all else. The new organization is presently in the process of hiring an executive director.

TYPE OF ORGANIZATION

The Raton Chamber and Economic Development Council is a nonprofit corporation with a general membership of approximately 100 and a seven-person board of directors. Staff include an executive director, assistant, and secretary. The council is organized with six functional areas: tourism and marketing, finance, community education, economic development, retail promotions and special events, and city planning and beautification.

FUNDING

The organization will receive \$110,800 annually from the lodger tax collected by the city, \$31,000 from membership fees, and about \$25,000 for co-op advertising from the State Department of Tourism.

BENEFITS

- A change in the way the community has organized itself for economic development
- Initiation of a process of team building, long-range planning, and leadership development

CONTACT

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Raton Chamber and Economic
Development Council Inc.
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Raton, New Mexico 87740
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NORTH CAROLINA

St. Pauls 2,341 (pop.)

Robeson Cty. 101,610 (pop.)

"We were looking for some way to give kids a little hope for the future."

"The biggest obstacle that others will probably encounter is that school systems tend to be tentative--risk taking is not their forte. They almost want something guaranteed before they try it. Our board is to be commended. There aren't many small school systems--especially ones that are already at the bottom of the funding heap--that would have been willing to take the risk."

"We thought it was reasonable to hope to get 1/10 of 1 percent of the cars to stop, and if we did, we would make it."

"They looked for businesses that would be interesting, make some money, provide a good learning experience, and would not compete with local businesses."

"I had a little experience managing restaurants a long time back, and the manager of the truck stop across the street is on our board."

"For the first 1 1/2 years the students got no credit for setting it up--they worked on it before school, over lunch hour, and after school. It took a lot of discipline."

WAY OFF BROADWAY DELI: A RURAL SCHOOL ENTERPRISE ST. PAULS, NORTH CAROLINA

TYPE OF SUCCESS

- Developed a successful delicatessen planned and run by high school students

DESCRIPTION

When a new superintendent arrived a few years ago in St. Pauls, a small mill town in a predominantly agricultural area, he inherited one of the poorest school districts in the state. In fact, the district was 139th out of 140 school systems in North Carolina in terms of per pupil expenditure. He was even more concerned, though, with the depressed attitudes among students.

To show the students that they didn't have to leave St. Pauls to make a living and that they really could start their own businesses, the superintendent contacted the Small Business and Technology Development Center (SBTDC), a unit of the University of North Carolina. The SBTDC's director of school-based programs made a presentation to the student body, and interested students were identified.

With the university's assistance, the superintendent, a local minister, and three faculty members helped students do a community survey to identify viable enterprises. Because I-95 passes by the town, they settled on a New York-style delicatessen. They wanted to take advantage of the 22,500 vehicles per day, many of which pass regularly between New York and Miami.

The SBTDC helped finance two trips to New York City for eight students and their teachers. The first was an exploratory trip visiting delis and the Broadway district, while the second was an intensive training exercise at one deli. The students prepared a business plan and presented it to the Board of Education, requesting \$28,000 to get started. Additional funding was provided by North Carolina REAL Enterprises, a nonprofit organization formed to provide loans to school-based enterprises. The school board approved the proposal, and a vacant pizza place just off the interstate was purchased in spring 1986.

The Way Off Broadway Delicatessen opened in July 1987. The business is well ahead of earnings projections and is already beginning to pay its own way. The intent is to run the deli as a school-based program for up to three years, spin it off as an independent enterprise, and start again with a new business and a new group.

"We have cards on the table that tell the story and ask for comments. Our entrepreneur class responds to each one. And we send them a coupon good for a free yogurt or a free Coke so they'll stop again."

"There are several billboards on I-95, plus off-ramp signs. The deli also does a lot of catering: the students cater lunch for the Chamber of Commerce every other month. Also, all employees of the school system get 25 percent off, which encourages a broad feeling of ownership."

"It has given St. Pauls a lot of recognition. We even got mentioned in The Wall Street Journal. We have a lot of other good things going on, but this program had special appeal."

"Don't get me wrong--it's not without problems. For many students it's their first job and they don't always understand why they have to be on time and be dependable. We had to let a couple of them go. Sometimes we'd buy something and it would break down. One manager had to quit at the last moment. But it's been worth doing even with the problems."

"My first advice to another community on the same idea would be to look for a project that takes advantage of your resources--in our case, the interstate. Do not compete with an existing business, and do involve community leaders in your development, hire an experienced manager, and confirm your financial support."

There are also three classes that are required of the students who work at the deli: applied economics, entrepreneurship, and small business ownership and management.

TYPE OF ORGANIZATION

The local Board of Education was the sponsoring organization. The students operate the business and are paid by salary and profit sharing. All 15 employees are high school students or recent graduates who were part of the original planning, with the exception of the manager, who was interviewed by the students. The deli recently has been incorporated as a cooperative, having its own board of directors. There also is a community advisory board for the whole St. Pauls program.

FUNDING

The program was assisted by:

- An initial \$28,000 expenditure from the Board of Education to purchase the building and part of the equipment on behalf of the deli. The Board has also loaned the deli about \$22,000 in additional short-term operating capital.
- A \$10,000 long-term loan from North Carolina REAL Enterprises for working capital.
- Extensive training and technical assistance provided by the SBTDC, with funding from the State Department of Education and private foundations.
- Initial memberships in the co-op will cost \$500 per person (payable over a one-year period through payroll deductions). These memberships will be used as equity in the business.

BENEFITS

- Employment for 15 students and a manager, with a monthly payroll of \$6000 and sales of \$13,000+ monthly
- The educational benefits of having a new program on entrepreneurship
- Increased community pride

CONTACT

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OHIO

IMPLEMENTING A COUNTYWIDE RETENTION AND EXPANSION PROGRAM CHAMPAIGN COUNTY, OHIO

Urbana 10,762 (pop.)
Champaign Cty. 33,649 (pop.)

TYPE OF SUCCESS

- Used a research project to determine needs of existing companies
- Successfully involved a number of key leaders in conducting the project
- Established a countywide economic council as a result of recommendations growing out of the project

DESCRIPTION

Champaign County is a small rural county, heavily dependent on agriculture. Thirty percent of the labor force works outside of the county. Local leaders, concerned about the county's future, wanted to design a strategy for expanding job opportunities and income levels. Community leaders, through the efforts of the county's labor training consortium and the Urbana Chamber of Commerce, selected as their focus a Business Retention and Expansion (R&E) Program.

The R&E program seemed particularly appropriate because the county was experiencing changes in the basic structure of company ownership, from single-family to corporation ownership. It was felt that it would be especially important to develop closer ties with local managers as well as to explore ways to develop sound relationships with the corporations. Community leaders also wanted to find out about problems and concerns that might lead to loss of local jobs in the future.

An R&E Committee was formed. The committee received important guidance from the Ohio Cooperative Extension Service. Volunteers received training on how to design an R&E survey. Prior to actually initiating the survey, the concept was presented to various governmental units and other agencies. Then the R&E Committee compiled a list of over 200 persons who might assist and selected about 40 to participate in conducting the survey. Teams were formed, and with Ohio State University's assistance these teams were trained. The questionnaire was sent in advance to the business and industry leaders who were to be interviewed. Then the 19 teams of volunteer leaders visited 54 firms, representing over 4800 jobs in the county. Visits averaged one hour in length and covered 23 questions about the firm, attitudes toward local and state government, and needs for assistance and information.

"Change was beginning to occur, and we felt like we needed to look at the reality of what was happening to us."

"Before we started this venture, we alerted everybody as to what we had planned. We went to the Private Industry Council, the city council, the county commissioners, the Chamber, the Community Improvement Corporation, and we told them what we were proposing to do. We asked them for their support. This was an important aspect in getting community consensus and support for our activity."

"It is terribly important to carefully select the leadership who will make calls on companies. The training is important too. You want to create an environment from the beginning that conveys to the firm that you are interested in an honest appraisal of the business situation. You want people to be frank...and to have confidence in the process."

"We could solve some problems immediately. The key was to have enough people on the committee who had power in the community and could alert officials about a specific problem that a business was having. Awareness of a business's difficulty and moving to solve it are important."

"We need to continue to relate to companies that may have outside ownership. We need to prove to them it's worth their effort to stay in our community. It is important to keep communicating this to the companies--that you want them and are there to assist them."

"One of the things we had to work to overcome internally was the attitude that no one at the state level was going to help us. We need to make our point known and assume that government will provide assistance."

"There is no reason why other communities cannot have a similar effort. It takes a few leaders who are interested and committed to moving beyond the current situation."

"The process we use provides a great opportunity for consensus building. Bringing people together to work on a project provides an opportunity to create the next steps."

The R&E Committee, with sponsorship by Rotary, presented the results of the survey and recommendations at a dinner for all of the persons interviewed, the interview teams, and other invited guests.

Some recommendations could be acted on immediately. A water problem for one company was dealt with, and utility wage concerns of another company received attention. Other recommendations are part of the ongoing efforts of a new group that was formed as a result of one of the recommendations--the Champaign County Economic Council. A part-time professional has been hired to assist. Existing groups and those that should be involved in development efforts have representatives on the 24-member board of the new organization.

TYPE OF ORGANIZATION

- Business and Retention Committee initially, which evolved into the Champaign County Economic Council
- Independent, not-for-profit group with broad representation from government and business

FUNDING

- \$18,000 from County Commissioner, Chamber of Commerce, and Community Improvement Corporation for first year
- Anticipate funds from County Commission and from local foundations for ongoing efforts in next several years

BENEFITS

- Broad support and public understanding of the effort
- Public and private sectors joined in a cooperative effort on a countywide basis
- Contact with many companies and businesses in the area
- The R&E Committee has assisted firms on specific problems and convinced other groups to become active in helping existing industries

CONTACT

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PENNSYLVANIA

A HOMEGROWN INDUSTRY BUILT ON TRADITION CROSS CREEK VALLEY, PENNSYLVANIA

Cross Creek Valley 9,450 (pop.)

Washington Cty. 217,074 (pop.)

TYPE OF SUCCESS

Dedicated volunteerism that brought the dream of a woolen mill to reality

DESCRIPTION

"We're becoming an area of unemployed and retired people, and our young people are leaving. The idea of a wool mill is pretty far out, I know. But it seemed to be an appropriate thing for our area."

"Study the feasibility of the project, and make sure it has a chance to survive. Have a business plan and talk to experts. Start small, and don't try to get too big too fast."

"There are a million considerations before undertaking a small business venture--money, feasibility studies, money, lots of volunteers and meetings, money, a building, a name, a logo, and money--to name a few."

Cross Creek Valley, in the southwest corner of Pennsylvania, lies in the middle of an area that was once the sheep-raising hub of the country. Industrial development and other factors contributed to the decline of sheep production to the point that it is now more of a sideline than a profession. Yet, sheep raising remains indigenous to Washington and Greene Counties, the state's top two sheep-raising counties.

In the late 1970s, a group of residents in Washington County viewed the abundance of sheep and wool in the area as a potential resource for economic development. A woolen mill seemed to be an appropriate pursuit that could create jobs in their struggling economy.

At the time, federal grant monies were available through the Small Town Emphasis Program (STEP) to fund special, unique community projects. A group of relentless volunteers organized their efforts and successfully applied for a STEP grant in the amount of \$85,000. These funds were later succeeded by an additional \$25,000 from STEP and a \$40,000 grant from the State Department of Human Resources.

The Cross Creek Valley Planning Commission formulated the Cross Creek Valley Community Development Corporation (CCV CDC) to oversee the mill project as well as other economic development efforts. CCV CDC is composed of three dedicated volunteers from each of six municipalities in the area. They began with \$43,000 to pay for a feasibility study on the mill, hire a director to steer the project, and pay for equipment and start-up costs.

The Cross Creek Valley Wool Mill finally opened its doors in 1984. It is a small operation that is housed in an old community center built in the 1930s. Fleeces, purchased from local farmers, are processed by hand with bathtubs, old wringer washers, an antique carding machine, and home spinners and weavers. The process is time-consuming, but that is part of the mill's appeal.

"I may be emphasizing money too heavily, but very close to second in importance is a nucleus of dedicated people who don't feel they have to be paid and who are willing to work hard and not get discouraged."

"It's very important to form a network of caring people who want things to happen. But it's hard to find them. It seems that the age of volunteerism is at a low ebb. Sometimes I think we're a dying breed."

It now receives orders from customers across the country. Word of mouth appears to be one of the keys to the mill's success. It has received publicity from the local press and was written up in an Associated Press article that appeared in newspapers nationwide.

After facing numerous problems and hurdles with the mill project, the CCVDC volunteers remain dedicated in their efforts. The fledgling mill generates enough revenue to cover operating costs, including payroll for two employees. CCVDC anticipates that by the end of 1988, it will begin to show a profit. All profits will be reinvested in the operation to purchase new equipment, hire additional employees, and so forth. By 1992, CCVDC projects that revenues will be sufficient enough for the mill to employ 7 people and that staff size will eventually increase to 20.

TYPE OF ORGANIZATION

The CCVDC is a nonprofit group that reports to the Cross Creek Valley Regional Planning Commission. Each of six municipalities in a two-county area is represented with three volunteers--an elected official, a low- or fixed-income person, and a member at large.

FUNDING

In addition to the \$110,000 in STEP grants and the \$40,000 grant from the state, the mill project has received a \$4000 donation from the county and a \$1000 loan from the Regional Planning Commission. They are currently using a loan of \$12,000 from the Washington-Greene County Community Action Corporation.

BENEFITS

- Increased utilization of local agricultural commodities
- Annual sales in 1987 of \$15,000
- Creation of 1 full-time and 1 part-time job that could eventually increase to 20

CONTACT

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Cross Creek Valley Wool Mill
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TENNESSEE

A HOMEGROWN SHOP FOR QUALITY LOCAL CRAFTS MANCHESTER, TENNESSEE

Manchester 7,250 (pop.)

Coffee Cty. 38,311 (pop.)

TYPE OF SUCCESS

Organization of a successful retail outlet shop for over 300 area craftspersons

DESCRIPTION

"A lot of the ideas we put into practice came from studying the crafts associations of North Carolina. Southern Highlands Handicraft Guild, headquartered in Asheville, North Carolina, was one of the models we used. They've been in existence nearly 50 years."

"One of our basic tenets was that things offered for sale in the outlet MUST be quality things. Very simply, if it doesn't look right, we tell them, 'Take it out and redo it.' And we make no apologies. This is what keeps people coming back."

"In the Big South Fork Recreational Area in Fentress County, a similar association has now been established, patterned after the Coffee County Association. We helped them get established."

"The members are very proud of their income. In addition, the association gives its members a lot of social value. And it helps people have pride in being rural and in being craftspersons."

The genesis of Foothills Crafts occurred in the late 1970s, when the county extension agent noted that there were many talented craftspeople in the area who needed a quality outlet to exhibit and sell their products. The Community Resource Development Department of the Agricultural Extension Service provided initial guidance, and an existing organization, the Extension Homemakers Association in the county, supported almost two years of study by a steering committee. The committee researched other craft guilds around the region and in North Carolina. The committee eventually recommended formation of the Coffee County Crafts Association and initiation of a retail store, Foothills Crafts, entirely staffed by volunteers.

The Association began in 1981 with 100 members and has grown to nearly 500 members. The Association rented a former country store, about 1500 square feet. The shop opened in December 1981, with total sales that month of about \$900. By December 1987 the monthly sales were up to \$10,500.

There are currently about 320 exhibiting members; in 1987 about 180 of them had sales in the shop. Almost all the exhibitors are from Coffee County.

The shop is located in Manchester less than 1/2 mile from I-24, an east-west interstate. Originally the Association used flyers to advertise. Gradually, a sign and a billboard were added to the interstate, which brought a tremendous surge of visitors. Tourist traffic is important, but the major business comes from repeat customers who are from the nearby area.

The Association also furnishes organizations with speakers and demonstrations on request. Classes are taught by qualified teachers from the exhibiting membership. Often the Association is called upon to demonstrate crafts in the schools and to act as judges in related events.

TYPE OF ORGANIZATION

"Running the shop with volunteers takes about 100 people a month. That's no small accomplishment by itself! But each volunteer feels like the shop is theirs--they feel very possessive and take great pride in it."

"Our top salesperson in 1987 grossed \$4850, and she didn't start until March. Our No. 2 salesperson, who earned \$2910, was able to purchase several major appliances--like a refrigerator and a washer/dryer--purely from her earnings on crafts in one year."

"We encourage people to specialize, not to diversify. However, people who like to work with their hands are always interested in doing more than one thing."

"There was a time that so-called artists would turn their nose at what is generally classified as crafts. But within the past few years, the art world has recognized crafts as art."

"It's not big business, nor do we make a big economic impact in the community. But for a few people living on very limited incomes, the economic benefits have made a real difference in their quality of life."

The Association is a nonprofit educational association. Its purposes are (1) to generate participation in craft work through class instruction and/or seminars, (2) to educate the public in the appreciation of fine craftwork, and (3) to provide facilities for members to exhibit and offer their products for sale.

The Association is governed by a nine-member board of directors elected from exhibiting membership. Membership is open to applicants from an unrestricted area. Members may become exhibiting members by submitting examples of craft work for jurying by a standards committee (composed of members) and approval by the board of directors. Exhibiting members pay annual dues of \$5 plus 20 percent commission of each item sold.

Exhibiting members who contribute four hours or more volunteer work in staffing the shop (which is open six days per week from 9 a.m. until 5 p.m.) have their commission reduced to 10 percent. Other funds to cover operating costs come from fund raisers such as the raffle of a quilt (made by members), bake sales, and sponsoring craft fairs.

The shop is operated as an association, not a cooperative like many other craft shops. The Association hopes to eventually purchase a building for the shop, using profits from the commissions received.

FUNDING

Total annual revenues for the Association are around \$6000. Total gross sales in 1987 were about \$50,000.

BENEFITS

Some exhibitors earn enough to substantially supplement their household incomes.

CONTACT

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TEXAS

DIVERSIFYING FROM A RAILROAD ECONOMY SMITHVILLE, TEXAS

Smithville 4,000 (pop.)

Bastrop Cty. 36,500 (pop.)

TYPE OF SUCCESS

- Initiated new commercial, residential, and industrial development areas
- Secured financing for a new spin-off business
- Obtained a \$194,000 grant to fund downtown demolition and cleanup
- Developed a master plan

DESCRIPTION

"The cooperation of persons at all levels is important--city officials, the schools, hospitals, local businesses, organizations, and private individuals."

"Begin at home. Help existing industry. What we've decided to do is grow our own business. We figured that if we could do something on our own, we'd be better off. We don't have the resources to offer all the incentives that a lot of other cities can. We know we can't draw in someone from New York or some place else."

"A positive attitude is a must. Be appreciative of small gains, but don't be afraid to go after the larger ones."

"We recognize each new business with a ribbon-cutting ceremony."

Smithville, located in southeast Texas, is bordered on one side by the Colorado River and on another by the Missouri-Kansas-Texas Railroad, a major employer in the community. In 1986 community leaders learned of a proposed merger between MKT and Union Pacific Railroad. The news spurred concern that the merger could further dampen an already sagging economy and became the catalyst for several development initiatives by local leaders.

The Economic Development Committee of the Chamber of Commerce quickly undertook a number of initiatives. The Committee's philosophy was to generate economic growth by capitalizing on existing resources and fostering local enterprises.

The Committee and the town council nominated eight citizens to develop a master plan for Smithville that covers goals for 1990, 1995, and 2000 and addresses community development needs. An early priority was clearly to make available more land for growth, because Smithville has historically been "land locked" by the railroad and the river. The Committee focused on 94 acres of farmland outside the city limits that lay on either side of the bypass leading to town. The Committee was able to get the owners to request annexation and agree to sell their property for development. Next, the Committee successfully persuaded the railroad to sell 25 acres of land for industrial development.

At the same time the town began a major beautification project. The town successfully sought a \$194,000 grant from the Texas Department of Commerce, and the monies are being used to demolish old, vacant buildings and clean up unsightly lots. Once this cleanup is complete, the lots will be available for residential construction.

"One of the researchers is now in the process of establishing a facility that will manufacture a chemical used in cancer research. He will be selling the product to the local center and plans to market nationally and worldwide. We're examining the potential for establishing similar types of satellite businesses in the Science Park to complement the Cancer Research Center."

"A local businessman who owned our concrete ready-mix plant approached us for assistance in locating land where he could build the town's only lumberyard. We helped him, and the lumberyard now employs about seven people."

"After we lost a Chevrolet dealership, the Committee approached a Ford dealer in a nearby town about establishing in Smithville. The dealer is now awaiting approval of his application to Ford and, in the meantime, is operating a service center and used car agency."

"We asked the local citizens to make an investment in the economic future of Smithville."

"Economic development must be a community effort to be successful. Get people involved. Team-work works!"

Next, the Committee looked at the potential of its existing business resources. A primary resource was the University of Texas Science Park, located about 3 miles outside Smithville, which houses the university's Cancer Research Center. The Committee, whose chairman is also the director of the Cancer Research Center, worked with the university and successfully located financing for a spin-off business in Smithville.

Homegrown businesses and expansions have continued, including a new lumberyard. In other cases the Committee has actively recruited local businesses that were perceived as needed.

The Committee is currently working with the state extension service, Texas A&M University, and the Lower Colorado River Authority to study the feasibility of establishing a fish farming and processing facility in the community.

TYPE OF ORGANIZATION

The Economic Development Committee of Smithville consists of the board of directors of the Chamber of Commerce. The Committee/Board consists of a president (who also sits on the city council), several officers of Smithville's three financial institutions, and two other community leaders.

FUNDING

Although the Chamber is funded through membership fees, the work of the Committee is funded solely through donations. Through its fund-raising efforts, the Committee has received over \$8000 during its first year of existence. A \$194,000 grant for beautification and cleanup was received from the Texas Department of Commerce.

BENEFITS

- Additional land for development
- A new spin-off business that will ultimately result in new jobs and could be the catalyst for similar new businesses
- A new lumberyard that resulted in seven new jobs
- Development of a long-term master plan to guide the town toward its goals

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VIRGINIA

A GRITTY LITTLE COMMUNITY FIGHTS FOR SURVIVAL, ONE STEP AT A TIME IVANHOE, VIRGINIA

Ivanhoe	600 (pop.)
Wythe Cty.	25,522 (pop.)
Carroll Cty.	27,270 (pop.)

TYPE OF SUCCESS

- Formed a civic league in a tiny, unincorporated town
- Created new hope for residents from education, community development, and tourism

DESCRIPTION

"We're not rich, we're really poor, and it takes a lot for me to do this. I promised God and I promised my family I would do whatever it took to turn Ivanhoe around, because it's our home. I just couldn't live here and watch it deteriorate more every day. I know the young people by name, every one, and I know what they need."

"The industrial development authorities keep looking to get a factory in there. We haven't been to colleges and stuff like that, but common sense says that factories are falling apart! The South went up North and got all these industries to come South because we would work for nothing--then the industries found that in Mexico and the Philippines the people would work for even less, so they moved out. Service industries are the up and coming thing. Going after factories is like hunting buffalo!"

Ivanhoe is an unincorporated town that straddles two counties in the Appalachian mountains of southwest Virginia. Over a 200-year history, it had been a one-industry town to lead, iron, carbide, and zinc plants. But by 1981 the last plant, New Jersey Zinc, had closed. Many people moved away, and despair and apathy settled over the town. One company had deeded its 200-acre site to Wythe and Carroll Counties for an industrial park, but the industrial development authorities of the two counties had never been able to attract an industry. In 1986 the authorities announced they planned to sell the industrial land.

But this news was the final straw for one resident. Maxine Waller decided she was not going to watch the town she loved die any longer. The land represented the residents' last chance to save their town. Ms. Waller showed up at the next meeting of the Wythe County Board of Supervisors, and by the end of the meeting the counties agreed to give residents two years to find an industry.

Under Ms. Waller's leadership, the Ivanhoe Civic League was formed. In an effort to raise funds, the League organized "Hands Across Ivanhoe." In November 1986, 3000 people paid \$3 each to link hands over a two-mile course spanning the two counties. Festivities included a grand reunion of Ivanhoe's "Lost Sons" who had returned home to show their support.

The League organized economic development classes and studied state recommendations that this region of Virginia look harder at tourism. The League then turned their attention to a recently designated state park, a 54-mile hiking/biking trail on what was once a railroad right-of-way. This state park goes along the nearby New River, a beautiful waterway.

"We send out 1100 newsletters a month. Before we had a copy machine, they were hand-addressed, and do you know who hand-addressed them? The kids. The kids would come after school and do it. And I'd tell everyone, 'If you get a newsletter that looks like it was addressed by a kid, it's because it was!' Sometimes there would be dirty fingerprints on them. But it was the greatest thing to watch those kids working together."

"We did a survey of every household. Nobody said they wanted to be rich. They said they wanted jobs and they wanted education. But we don't want just jobs, we want better jobs. So, we started with education. Out of 175 houses, 16 people wanted to learn to read and 37 people wanted GED."

"My children have really lived a rough life the last two years. All their lives I had been at home to watch them leave for school and to greet them when they came home."

"I could tell it was tearing my son apart. So one night we sat down at the table and I said I thought I was going to quit because nothing is as important as my family. He looked me square in the eye and straightened up and said, 'Mama, don't you understand that nobody ELSE has a right to complain about anything? Because I'm the one that doesn't have any clean clothes anymore and comes home to the cold house, and I don't have anything to eat and have to cook everything. But you're not going to quit because if you do, the people in Ivanhoe won't have a future.' And I said, 'Yes, sir, I'm not going to quit.' And I won't."

The League developed a preliminary plan for a multiuse facility near the state park that would include bicycle, canoe, and raft rental; a restaurant; a campground; an entertainment center for outdoor drama; and a pool. The plan has received endorsement from several state legislators. The Virginia Polytechnic Institute has offered graduate architect students to do free layout work; another group has offered to do a free market feasibility study. The League is optimistic that the Virginia Department of Game and Inland Fisheries will donate or lease 7 1/2 acres of land adjacent to the industrial park, and that the community will find a way to develop the concept on a cooperative basis.

The League is also planning to open an Education Center based on the findings from a communitywide survey of 175 households. Both night and daytime GED classes have begun, and a literacy program is planned. The county is assisting with free books and a teacher. An old store was rented and will become "Ivanhoe Technical Education Center." Practical skills (carpentry and electrical wiring, for example) will be offered with many of the teachers being local retired people. There will also be some cultural and art classes. The League is also researching available grants that could be used to strengthen the program.

TYPE OF ORGANIZATION

The Ivanhoe Civic League is a nonprofit organization that meets twice a month. There is a nine-person board of directors. The League distributes a newsletter once a month with a circulation of about 1000. There are 40 core members.

FUNDING

In the past two years the League has raised about \$30,000 from various events. A grant of \$1500 was received from Virginia Humanities, given to assist the League prepare a history book on Ivanhoe.

BENEFITS

While there are still no new jobs in town, Ivanhoe's residents have benefited from:

- Increased recognition of the town and its history.
- A focus on education and self-improvement.
- Renewed community pride.

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WASHINGTON

A RIVERBOAT TOWN BEGINS A NEW LIFE SKAMOKAWA, WASHINGTON

Skamokawa 300 (pop.)

Wahkiakum Cty. 3,400 (pop.)

TYPE OF SUCCESS

- Capacity building for local volunteers
- Planned and started restoration of a major historic site to include an outlet for area home-based businesses, an incubation kitchen, a museum, and a fine arts gallery

DESCRIPTION

"We had the second highest unemployment rate in the state. Even our gas station closed. We hit our low in Skamokawa in about 1985. It just looked like the place was falling apart."

"It hasn't been easy going. The owner of the prime property in Skamokawa went bankrupt. He was our pioneer tourism developer who overextended himself. The property was tied up in court for five or six years. Then, just as our local effort was getting started, a person from Portland bought it all. We included him on all the early planning, and he said he would sell the key properties to the community, but when it came down to it, he reneged. We didn't have it on paper, so if you want to underline a pitfall, it's to secure everything in writing."

"In the capacity building training we learned, for instance, how to do a very rigorous pro forma analysis. When Redmen Hall is up and going, it will be a model for the county."

In the early 1980s, Weyerhaeuser and Crown Zellerbach closed large lumber companies and set off an economic tailspin for Wahkiakum County, located in the lower Columbia River region of southwest Washington. Simultaneously, the area was affected by declines in the fishing industry and the local dairy industry. Unemployment reached almost 25 percent in 1984.

In response, an Overall Economic Development Plan was prepared by the Lower Columbia Economic Development Council (LCEDC) in 1985. This planning effort recommended a multifaceted strategy that included tourism development and capitalizing on the area's historical resources. A focal point was redevelopment in the Village of Skamokawa, a national historic district and one of the few remaining relatively intact riverboat towns along the lower Columbia River.

In 1986 planning for the Skamokawa Project was included in a \$25,000 Local Development Matching Fund (LDMF) grant received by the Council from the Washington Department of Community Development. The Council formed an "LDMF Team" of staff and volunteers. The following were among the accomplishments of this team over 15 months:

- Formation of Friends of Skamokawa (FOS), a nonprofit redevelopment organization
- Completion of a tourism market analysis and a preliminary feasibility study on Skamokawa tourist facilities
- Capacity building of local staff in funding strategy, grant writing, and project management

The FOS has focused its efforts on redeveloping the center of town and Redmen Hall. Built in 1894, Redmen Hall is a picturesque three-story schoolhouse on a bluff overlooking the village and is prominent for miles down the river. FOS plans to have restored the building in

"We have an excellent reputation now, which allows us to do a lot of creative financing to come up with the matching funds for the Redmen Hall project."

"The Hall will combine just about all the prongs for economic development that we have around here."

"Washington State's centennial is in 1989, and a major event will be the Lewis and Clark Trail run from eastern Washington along the Columbia River to the coast. Skamokawa is the second to the last stop. We expect 10,000 people here. In a town of 300, it's going to be quite a celebration! The centennial has helped focus attention here on our historic assets."

"Our activities include fund raising, coalition building, and managing restoration volunteers. We need to get a stable budget of about \$12,000 a year. And we need to build in financial incentives for the volunteers because burnout is a big pitfall. Volunteerism is very popular among government officials these days because they don't have much money either. There is a strong tradition of volunteerism in this community, but burnout is a real factor."

"There was such a depressed feeling--economically and emotionally--and now everyone feels like it's turning around. When you live in a community like this, you don't always appreciate your own resources. People are realizing now that our history is valuable--to ourselves and the public--and that our location is prime."

time for a major influx of visitors tied to the state's centennial celebrations. The restoration will include an outlet for a home-based business marketing cooperative being formed in the area, a state-approved "incubator kitchen" for use by area specialty food producers, an interpretive center featuring the Lower Columbia Region, an artists' gallery, and the observation point from the tower belfry.

TYPE OF ORGANIZATION

Three organizations have been involved in the redevelopment efforts. Primary impetus came from Wahkiakum Port District No. 2 and the LCEDC. Friends of Skamokawa (FOS) is a nonprofit corporation with a membership of about 150. The effort has also received support from the county commissioners.

FUNDING

In 1986 the Skamokawa effort was supported by a State LDMF grant for \$25,000 and a Coastal Zone Development Grant for \$10,000 from the Department of Ecology (NOAA funds). Acquisition and restoration of Redmen Hall (about \$100,000) are being funded through a combination of foundation grants, grass-roots fund raising, and low-interest loans from the Washington State Coastal Revolving Loan Fund (\$15,000) and a local bank (\$15,000).

The LCEDC participates in the State's Associate Development Organization (ADO) system, Team Washington, run by the Department of Trade and Economic Development. The state reimburses two-thirds of the LCEDC's allowable expenses up to \$25,000 annually. Recently the LCEDC became the first group in Washington to receive a second LDMF grant (\$9700 plus \$9700 in local match) which will support planning for the activities in Redmen Hall. All work in FOS is volunteer.

BENEFITS

- Formation of Friends of Skamokawa, development of a strategic plan, and increase in leadership and project management skills of local volunteers
- Planned redevelopment of a major historic site

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WISCONSIN

THE CLOWN HALL OF FAME: RECAPTURING A TOWN'S HERITAGE DELAVAN, WISCONSIN

Delavan 6,000 (pop.)

Walworth Cty. 72,000 (pop.)

TYPE OF SUCCESS

- Development directly addressing the town's economic problems
- An attraction that draws from a national market
- Rejuvenation of the town's heritage

DESCRIPTION

"When I first heard about a national clown convention held here five years ago, I asked if anything had been done to promote this locally or get the public involved. I was told that there had been no promotion and that the convention had taken some of its events over to a mall in a nearby town. I thought, anytime you have 400 clowns coming into a community, you ought to be doing SOMETHING to advertise it!"

"When I got involved in this, I'd never even been to a circus. I based my concept paper on similar work done for other facilities like the Baseball Hall of Fame in Cooperstown, New York. I did a lot of research and talked to a lot of people, both in the professional clowning world as well as others in the area who knew Delavan and what we had to offer."

Delavan's economic problems have centered around its position as a bedroom community for many concentrated industrial areas in the region, which contributed to the town's loss of retail trade. In 1986, during a discussion that was part of a downtown economic development study by faculty from the University of Wisconsin at Madison, the topic was the decline in Delavan's retail businesses and how the community might replace this sector. Mention was made of the town's considerable circus heritage. In the 1800s Delavan had been known as the circus capital of the nation serving as winter quarters for over 25 national circuses. In recent years clown conventions had been held at the site of the old winter quarters. The discussion revealed that no local attempts had ever been made to promote the event.

The local county extension agent and members of the Delavan Chamber of Commerce who were part of the discussion group contacted the convention and scheduled some events in Delavan. The media were notified, and the amount of attention Delavan received convinced the extension agent that there was potential in year-round events. From research, he found there was no national facility devoted exclusively to clowns. The extension agent then wrote a concept paper for a Clown Hall of Fame, forwarded it to leaders of the nation's clown and circus organizations, and received enough positive feedback to pursue the idea.

The extension agent then sought regional support for the idea. Because of similar attractions in the area (e.g., the Circus World Museum in Baraboo), he found many local resources, including Clair Law Offices, S.C., of Delavan, that volunteered to establish the Hall of Fame as a nonprofit corporation and sponsor a kickoff fund raiser. The project began to generate significant local support. In 1987 the organization received seven acres of land located at a major highway intersection. The land was donated by the Delavan Fest Committee, a local group whose primary responsibility is to sponsor annual

"I made a decision early on to try to generate support from outside the community rather than inside. Historically, economic development efforts in Delavan, like a lot of communities, had been slow to catch on and often died before they really got started. I think I needed to convince the town that the interest and support were there and that this was a project that could really work."

"Until the community can build a permanent facility, they have opened an office in town and are showing the exhibits there. Last year they attracted more than 2500 people, and some of the visitors were from European countries. Over the last year we've accumulated lots of materials, including clown props, costumes, life-size clown figures in full makeup and costume, books, manuscripts, posters, paintings, and a priceless egg collection depicting famous clown characters. Our materials have been donated by former Ringling Brothers circus clowns, private collectors, organizations, and many amateur clowns. We've had to do virtually no solicitation for materials because of all the publicity we've received, and because of the support we have from the major clowning organizations."

community events. For many years this committee had tried to develop a community center on the site but had been unable to raise enough local money. The committee decided to support the Hall of Fame concept because it would generate tourism.

Construction on the Clown Hall of Fame is planned for late 1989. When completed, it will incorporate four features. The Hall of Fame will be devoted to those who over their careers have contributed significantly to the clowning profession. The museum will include a variety of multimedia exhibits. The research facility will be an archive on the history of clowning. The Board also hopes to include an amphitheater for the purposes of continuing education, with one or more artists-in-residence on site.

TYPE OF ORGANIZATION

The Clown Hall of Fame and Research Center Inc. is a nonprofit corporation. It is governed by a board of directors consisting of four officers and an advisory board. Since it is a relatively new organization, many efforts have been accomplished on a volunteer basis. However, the Board recently hired a full-time office manager/receptionist.

FUNDING

Funding sources come chiefly from private donations by individuals and corporations. Local fund-raising initiatives have netted approximately \$150,000. Other than a \$5500 donation from the City of Delavan, no public expenditures have been required. The Board is contemplating hiring a fund-raising organization as well as several fund-raising efforts.

BENEFITS

Because the project is so new, the most tangible benefit has been the publicity the town has received. No new businesses or jobs have been created. It is hoped that newly generated tourist traffic will improve the retail sector.

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